

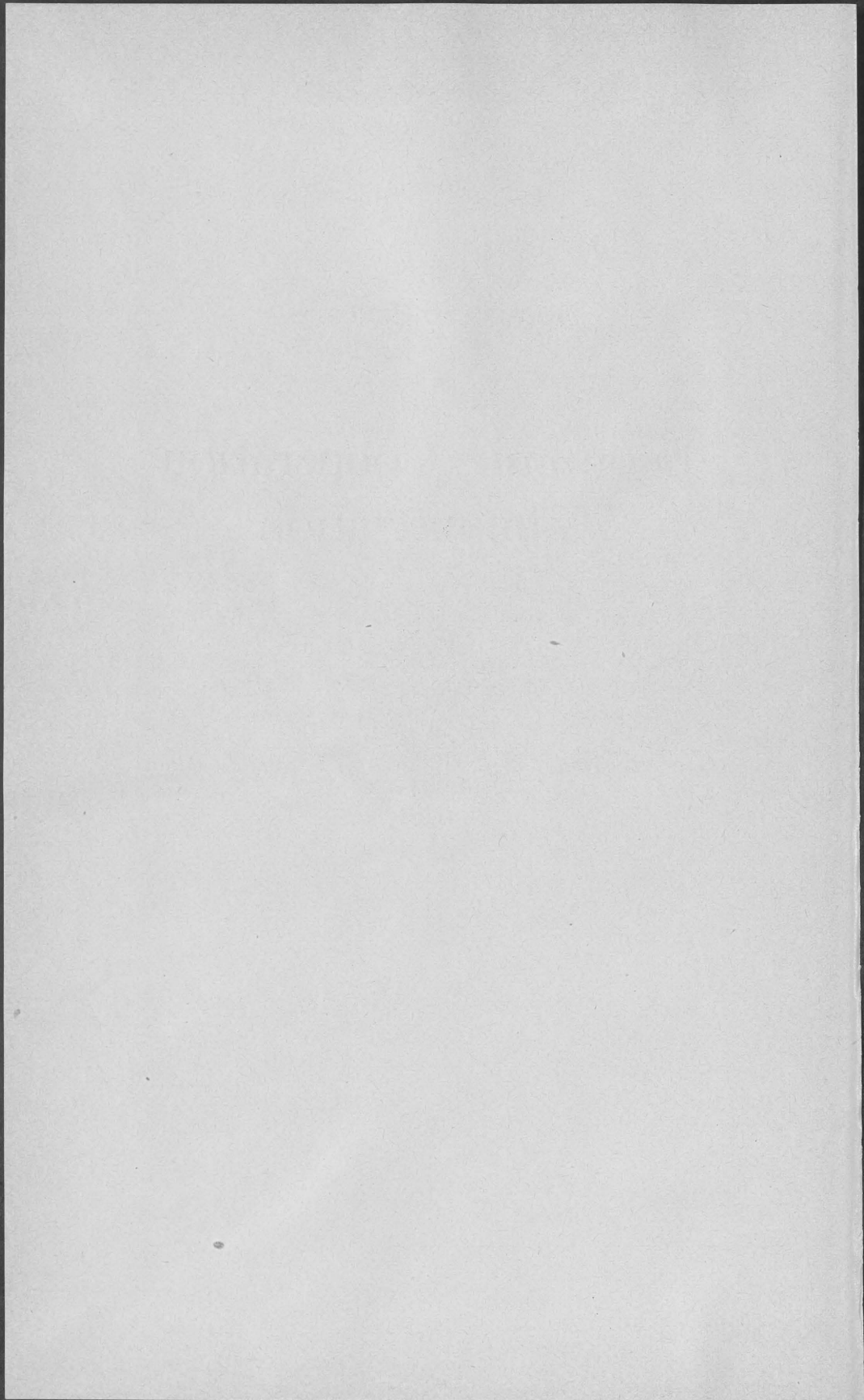
TENTH
REPORT TO CONGRESS

of the

Economic Cooperation
Administration



For the Quarter Ended September 30, 1950



President's Letter of Transmittal

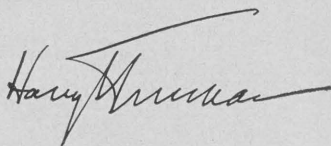
To the Congress of the United States of America:

I am transmitting herewith the tenth report of the Economic Cooperation Administration created by the Foreign Assistance Act of 1948 (Public Law 472, 80th Congress), approved April 3, 1948.

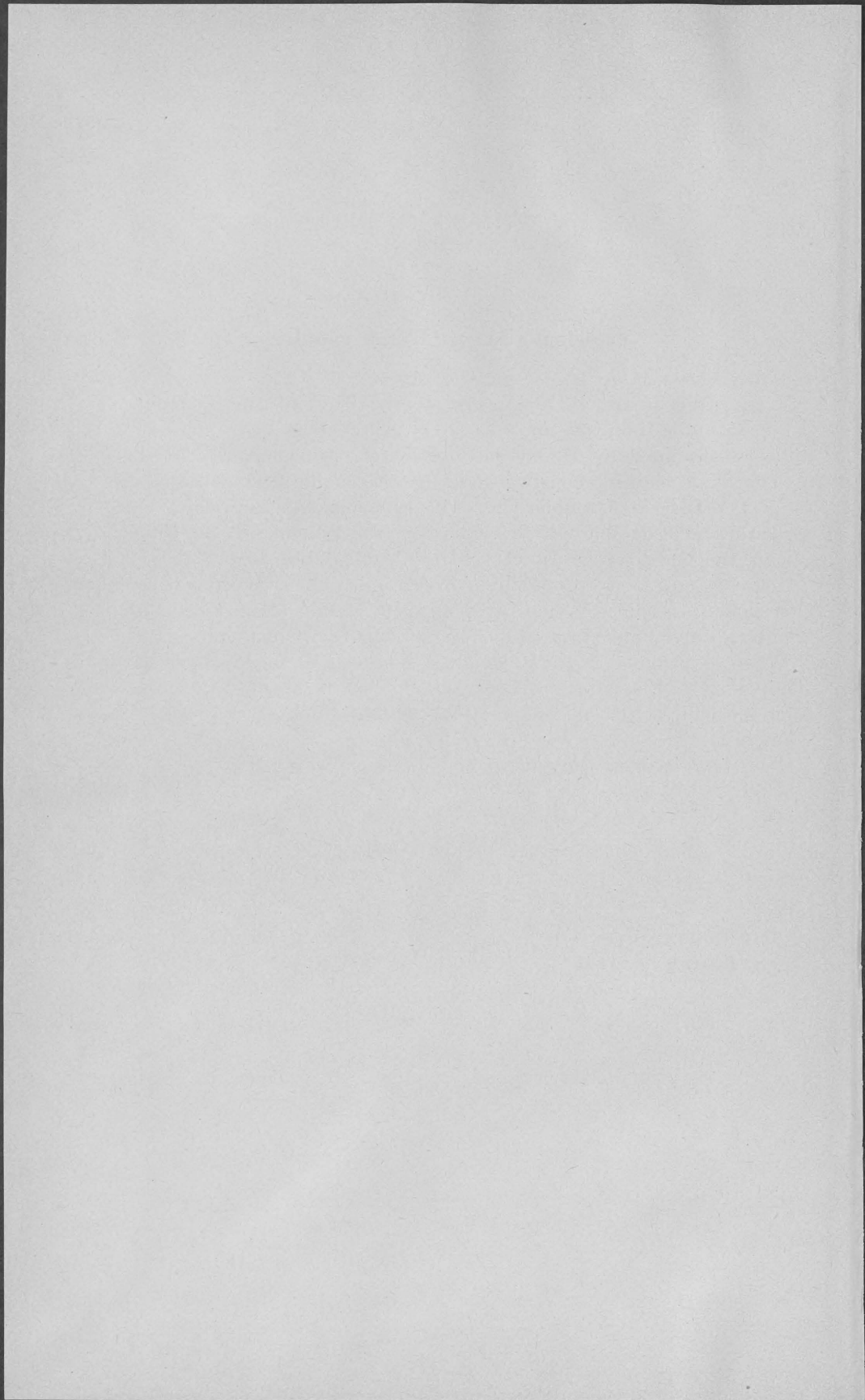
The report covers activities under the Economic Cooperation Act of 1948 (Title I of Public Law 472) as amended, as well as the programs of economic aid to China and the general area of China under the China Area Aid Act (Title II of Public Law 535, 81st Congress), and to the Republic of Korea under the provisions of the Foreign Aid Appropriation Act of 1949 (Public Law 793, 80th Congress) and Public Laws 430, 447 and 535, 81st Congress.

There is included in the appendix a summary of the status of the United States Foreign Relief Program (Public Law 84, 80th Congress) and the United States Foreign Aid Program (Public Law 389, 80th Congress).

This report covers the quarter ended September 30, 1950.

A handwritten signature in dark ink, appearing to read "Harry Truman", with a long, sweeping horizontal line extending to the right.

THE WHITE HOUSE
February 6, 1951



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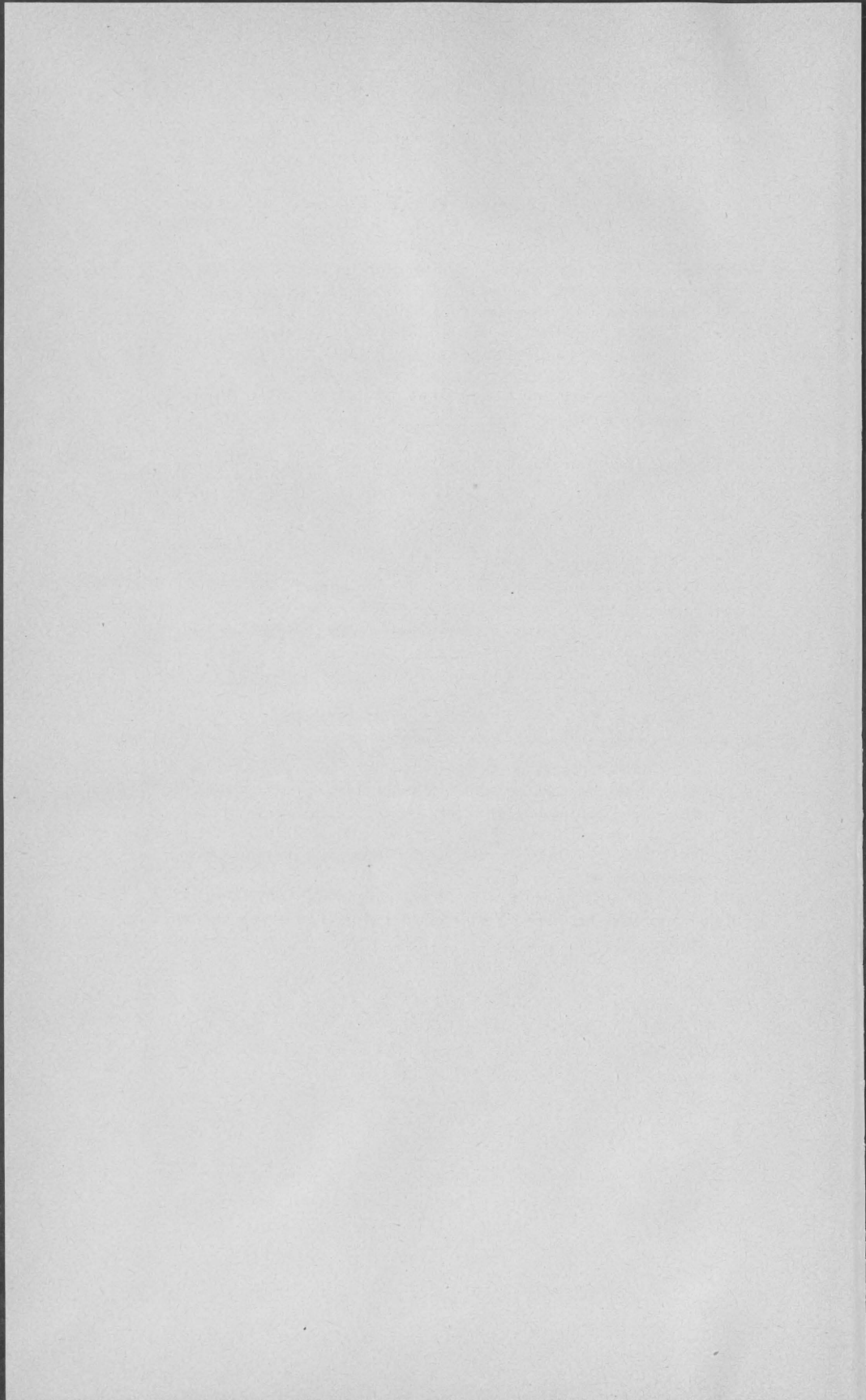
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HIGHLIGHTS

European Recovery Program

THE remarkable progress made by the countries of Western Europe in strengthening their economies during the first two and one-half years of the European Recovery Program has made it possible for them to undertake the rearmament necessary to resist the threat to their survival as free nations. . . .

Despite Europe's horror of another war and possible invasion, most Europeans have no quarrel with the need to rearm, and rearm quickly. Yet there is real fear that rearmament may be carried out at the expense of living standards in lower income groups. . . .

The participating countries face difficult problems in reallocating resources and shifting production to meet the changed international situation. The call for accelerated defense production and increases in military personnel occurred at a time when most West European nations were already utilizing their resources fully. . . .

If internal financial stability is to be maintained, most countries will have to adjust their national economic policies, and this will generally involve the subordination or postponement of many previous objectives. . . .

The necessity for increased defense preparations by the Marshall Plan countries has increased rather than lessened the urgency of efforts to develop a unified European market. Moving in this direction, the measures taken by the participating countries to liberalize trade can be expected to contribute to the more efficient utilization of economic resources and the expanding economy required to assure a combination of reasonable living standards and an adequate military establishment. . . .

Western Europe's combined industrial output in the third quarter of 1950 was 13 percent higher than in the corresponding period a year ago. September production was 133 percent of the prewar level—an all-time peak. . . .

Conflicting trends affected the financial positions of the participating countries during the quarter. Their international financial positions continued to show striking improvement, government revenues increased and exports soared. The outbreak of war in Korea, however, brought about a resumption of inflationary pressures which reflected higher world prices for raw materials, foodstuffs and manufactured products. . . .

Western Europe's export trade responded almost immediately to the international crisis. The intensified demand for Europe's materials and manufactures, sharpened by the earlier currency devaluations and a business boom in the United States, lifted shipments to a record level. During the third quarter of 1950 the export volume increased to 131 percent of the prewar base and was more than eight percent above the level of the previous three months. . . .

The increase in Western Europe's output and the further easing of payments difficulties contributed to a striking rise in intra-European trade. For the three months ended September 30, 1950, the volume of intra-European trade was 123 percent of the prewar level, in contrast to 117 percent for the previous quarter. . . .

Gold and dollar reserves of the participating countries increased by the equivalent of about \$700 million during the third quarter. Thus, the total gain in hard currency reserves since the realignment of exchange rates in September 1949 was approximately \$2 billion—the largest part of this rise accrued to the reserves of the United Kingdom. . . .

Emphasizing the decline in dollar aid to Western Europe, procurement authorizations issued by ECA during July–September 1950 dropped to \$295 million, the lowest amount for any quarter to date. Since the inception of the program, procurement approvals totaled \$9.8 billion. . . .

As a result of purchase and development contracts concluded by ECA thus far, approximately \$97 million worth of strategic materials are being added to the United States stockpile. Funds to finance strategic materials contracts come primarily from the United States portion (5 percent) of the local currency counterpart funds deposited to match grant aid received from the United States under the European Recovery Program.

Far Eastern Aid Programs

In the period from June 25 to September 30, ECA assistance to the Republic of Korea was fitted into the larger military requirements picture and was coordinated with the overall strategy of the Unified Command. . . .

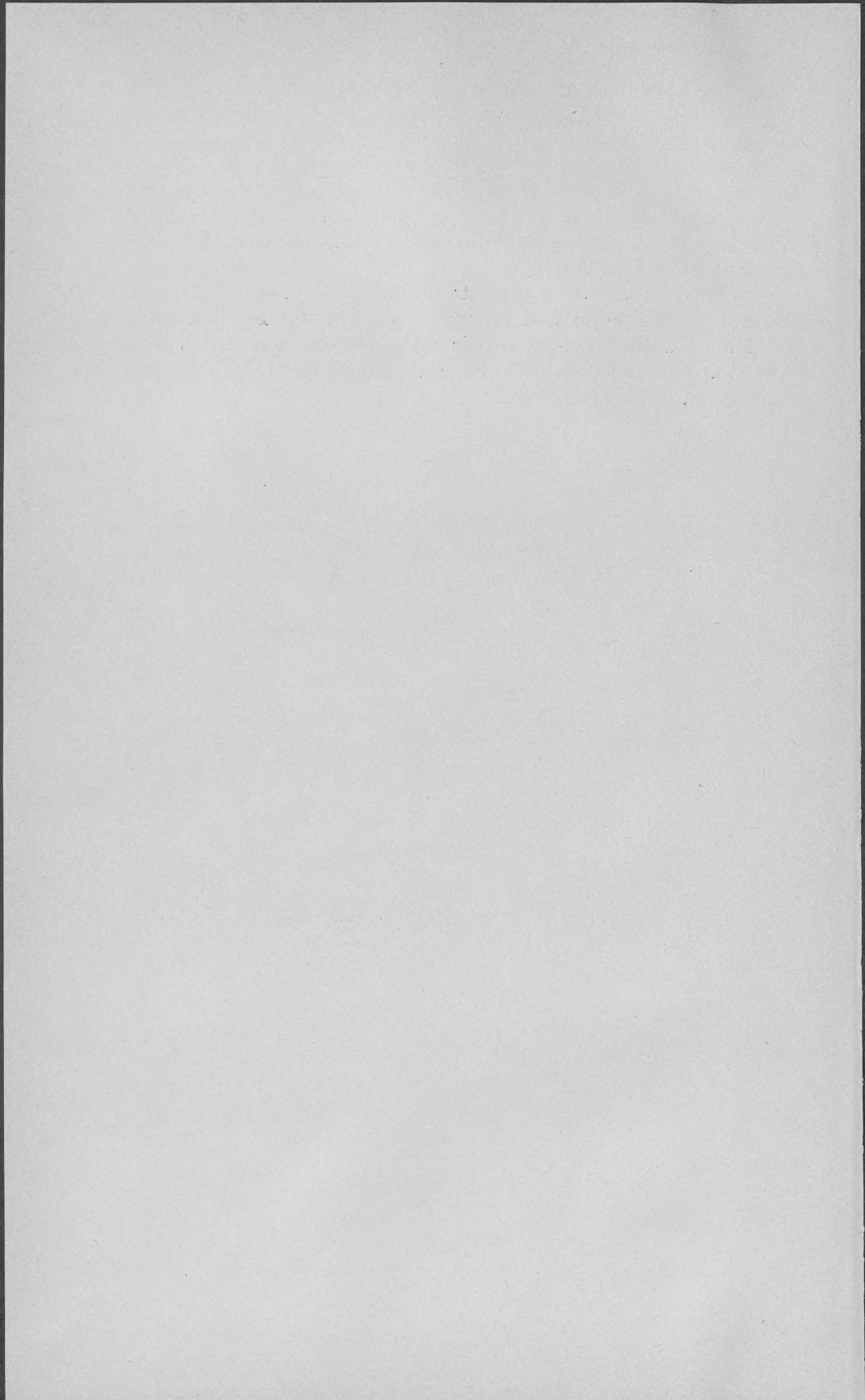
During the quarter under review, procurement authorizations issued for Korea totaled \$20 million, raising the cumulative amount to \$129 million. The primary emphasis during this critical period was on supplying coal and other materials required for the rehabilitation of industrial facilities and for maintaining the civilian economy. . . .

The immediate objective of ECA aid to Formosa is to offset the island's foreign exchange deficit and assist in maintaining the highest possible levels of agricultural and industrial production. During the period under review, funds totaling \$14.4 million were committed for

purchases of materials for shipment to Formosa, principally for food-stuffs, fertilizer, and equipment and parts for the island's power, railway, highway and telecommunication systems. . . .

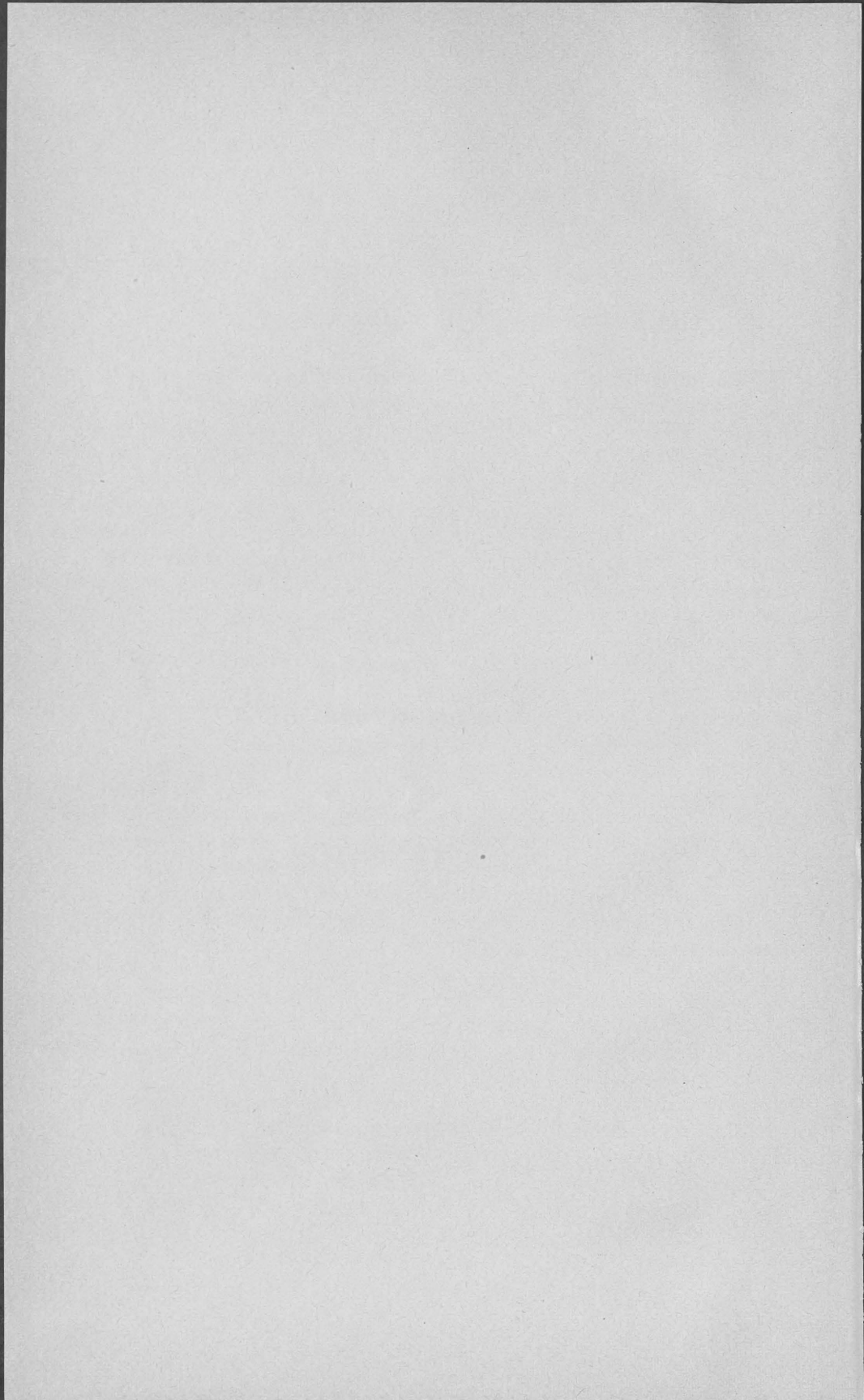
Operations began during the quarter to control malaria in Vietnam. An emergency allocation of \$750,000 was expended or earmarked for the public health program in the Indochinese States and ECA issued authorizations for an additional \$1.2 million worth of materials, mainly medical supplies. . . .

ECA-financed industrial projects for the Indochinese States emphasized rehabilitation and improvement of transportation. Substantial quantities of road repair materials and equipment were ordered and specifications were being developed for tugs, barges and other inland waterway vessels.



Part I

European Recovery Program



CHAPTER I

Military Preparedness and the European Recovery Program

THE international developments set off by the open aggression of Communist forces in Korea have altered the direction of the European Recovery Program. While the transition to a balance in international trade has been accelerated, the prospect of substantial improvement in living standards in Western Europe over the next few years has given way to uncertainty. In the process of rearmament, some distortions in production, prices and trade will become apparent. Most participating countries will be diverting to military production or the maintenance of military strength, resources that would otherwise be available to augment civil consumption and investment to promote viability and raise the standard of living.

The participating countries face difficult problems in reallocating national resources and shifting production to meet the changed international situation. The call for accelerated defense production and increases in military personnel occurred at a time when many West European nations were already utilizing their resources fully. Increases in defense expenditures thus represent an additional claim on these resources. If internal financial stability is to be maintained, national economic policies will have to be adjusted and this will generally involve the subordination or postponement of previous objectives.

The progress in expanding industrial and agricultural production, registered during the first two and one-quarter years of the European Recovery Program, continued during the three months under review. The impact of the war in Korea and enlarged defense programs, will undoubtedly stimulate the growth of European production. What is less certain is that a balanced redirection of production can be achieved with sufficient speed and efficiency to make the most advantageous use of available resources.

In June, the Organization for European Economic Cooperation (OEEC), in its official report on *Internal Financial Stability*, found it difficult to determine whether inflationary or deflationary forces would predominate during the remainder of the year. By the end of September, however, events had dispelled all doubt, and the Secretary-General of the OEEC, calling attention to the new situation, commented as follows: "On none of the economic problems raised by the

change in the international situation in the past three months is action so important as the renewed danger of inflation."

Rises in price levels have been substantial in several of the participating countries. In most cases, the increases prior to the Korean war were viewed not as reflecting continuing upward pressure but as readjustments stemming from the currency realignments of the previous year. After the outbreak of hostilities, there were spectacular increases in world prices of some commodities. Few of these commodities were actually being consumed on a scale greater than previously. Rather there was a world-wide scramble for stocks with the object of forestalling the shortages expected once the increases in defense expenditures become effective. Thus, the process of inflation was brought into play by a general fear of its occurrence.

If the remarkable gains achieved in two and one-half years are not to be dissipated through rampant inflation, the wasteful use of resources, and a retreat to autarkical policies, the participating countries acting in concert, will need to take prompt and effective action to adjust their national economic policies to the changing situation. The war crisis has emphasized the importance for Western Europe of regarding its resources as a single pool. It is imperative that the measures adopted by the nations to employ these resources be consistent and complementary and not return to the dangers of competitive stockpiling and disguised protectionism. Fortunately, there is general agreement among the participating countries on the need for such cooperative action.

In the latter part of the quarter, the OEEC decided that emphasis must be shifted from the longer range to the more immediate problems raised by the outbreak of hostilities in the Far East. These reconsiderations of long-term developments were stressed in a memorandum from the Secretary-General of the OEEC on September 28 suggesting the acceleration of those investment programs which would yield results quickly. This represented a major change in planning since July, when the OEEC requested the participating governments to indicate their long-term plans for economic expansion and the policies by which they planned to achieve them.

Following the Secretary-General's memorandum, the Council of the OEEC on October 7 issued a statement concerning urgent economic problems which emphasized that:

- (1) member countries take appropriate measures to maintain internal financial stability and in particular increase production of short supply items and adjust the distribution of resources in the light of increased defense expenditure;

- (2) where reductions in investments are necessary in view of defense requirements, the countries should endeavor, with due regard to the plans and positions of other member countries, to

make the adjustments required in the present situation and to maintain general economic stability;

(3) consideration be given to harmonizing the financial policies of the OEEC countries so as to prevent dislocation of the pattern of their trade and payments;

(4) member countries utilize productive capacity in countries where substantial unemployment persists;

(5) member countries meet the needs of the present situation to the maximum extent possible by permitting the free movement of goods.

The Council also instructed the appropriate committees of the OEEC to survey raw material shortages, review the electric power programs of member countries and propose methods of accelerating the expansion in generating capacity, and study the problem of manpower requirements.

Morale in Western Europe

Korean and post-Korean developments have had a double-edged effect on morale in Western Europe.

The first effect was to remove all doubts about the determination of the United States to defend the peace against military aggression. Perhaps even more important was the demonstration of American insistence on working through the United Nations. The dramatic and decisive action of the United Nations in Korea did more to clear the air on these points than millions of words could have done. The result was an unmistakable stimulus to public morale in the ERP countries.

The second effect was to bring home to the people of Western Europe the full magnitude of Soviet purposes. Thus a realization of the inadequacies of their own defenses sank in upon Europeans with crushing forcefulness. This has had a negative effect on morale—heightened doubts as to their ability to be ready to defend themselves in time.

Despite Europe's horror of another war and possible invasion, most Europeans have no quarrel with the need to rearm, and rearm quickly. Yet there is real fear that rearmament may be carried out at the expense of living standards in lower-income groups. If the cost of rearmament is to sacrifice the economic gains of the past two and one-half years, rearmament may become highly unpopular in Western Europe. After six years of war and occupation, followed by a long and exhausting struggle for economic recovery, Europeans want assurance that the burden of rearmament is going to be distributed equitably and that the nations of the Atlantic Community are not abandoning the economic and social objectives to which they are committed.

Europeans generally are willing to take on the job of building up their defenses because they recognize that it is the only way left open to maintain the peace and guarantee their freedoms. They know that they face dangerous and difficult times until those defenses are assured. Their morale will harden and grow when they become convinced (1) that the defense program of the North Atlantic nations is adequate for the job, (2) that their own governments are playing the role of full partners in collective defense decisions, (3) that the free world is pressing forward simultaneously with the still-urgent tasks of economic improvement, and (4) that the countries of Western Europe are making progress toward economic unification. The degree of hardship which West Europeans are prepared to suffer for security is not absolute but relative to their morale. This means that building and securing morale in Western Europe is more urgent and more important than ever.

The two and one-half years since the start of the European Recovery Program have witnessed a profound change in Western Europe—from an area disorganized by war, occupation and isolation, and dominated by a mood of helplessness, into a reasonably smoothly functioning economic and political community. Although it cannot be said that Western Europe's economic and social problems have been completely resolved and that it has fully recovered from the most devastating war in history, it can be truthfully asserted that much of the heritage of destruction left by World War II has been overcome and that the most difficult part of the reconstruction task has been accomplished. While the mood of hopelessness and indifference has not vanished completely, the majority of Western Europeans—fortunately the dominant majority—ascribes this accomplishment to progress under democratic institutions.

The progress that Western Europe has made since the start of the Marshall Plan in increasing industrial and agricultural output, in bringing inflation under control, in developing export trade and in reducing the deficit in its international accounts is proving to the great majority of Western Europeans that free democratic institutions, effectively administered, are fully capable of satisfying their needs and aspirations.

INDUSTRIAL RECOVERY

The sharp rise in demand, at home and abroad, for the products of Western European industry, that followed the outbreak of war in Korea gave immediate impetus to the volume of industrial output in Western Europe. The seasonal decline in production for the summer months was far less than expected. Third quarter production aver-

aged 23 percent higher than the prewar average, 13 percent higher than in the corresponding 1949 quarter and only 2 percent less than output in the preceding quarter. The rate of gain in production was greatly increased and the record September output—133 percent of prewar—foreshadowed a new postwar peak for the fourth quarter (appendix table A-1).

In all countries, output for the third quarter was higher than a year earlier. Postwar highs were achieved by Germany, the Netherlands and Greece. In Germany, the rise in production was particularly sharp, advancing 15 percent from the previous postwar peak in June to 105 in September when the index of industrial output exceeded the prewar base (1938=100) for the first time since the end of World War II. The progress of the participating countries in expanding production over a year ago, and since the start of the Marshall Plan, is shown in the accompanying table.

INDEX OF INDUSTRIAL PRODUCTION

[1938=100]

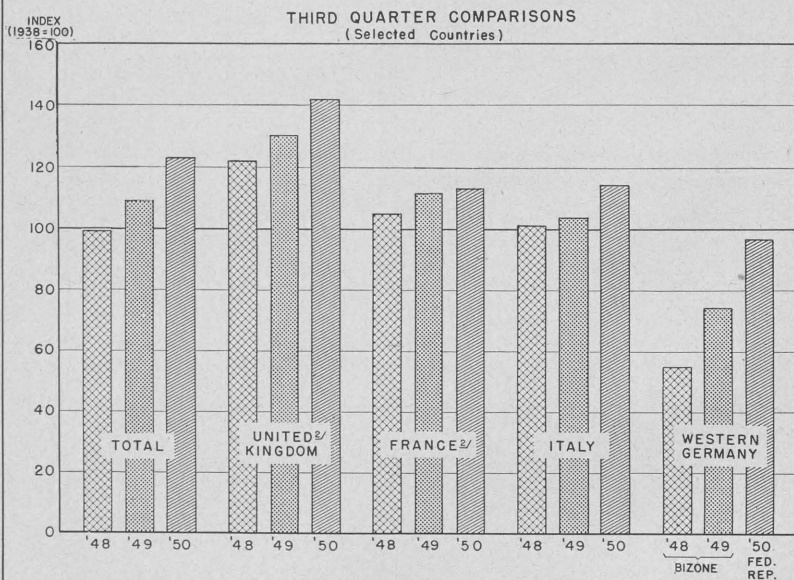
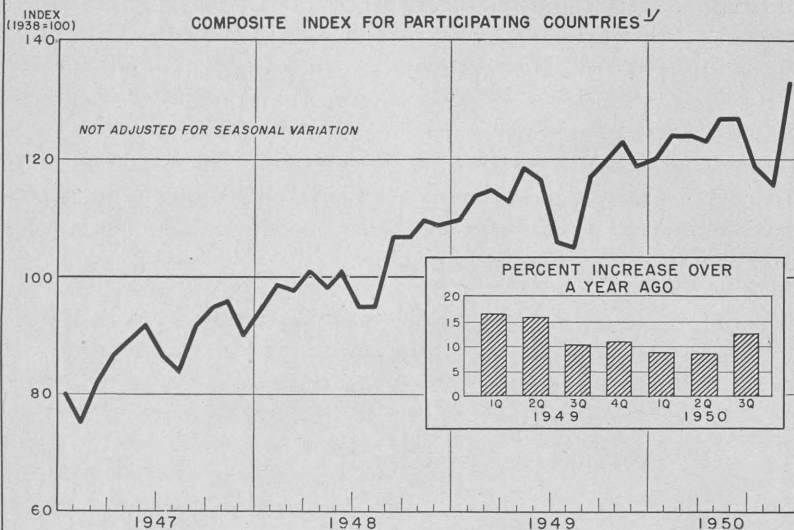
Country	1948 1st Qtr.	1949 3d Qtr.	1950 2d Qtr.	1950 3d Qtr.	Percent change	
					3d Qtr. 1950 from 1st Qtr. 1948	3d Qtr. 1950 from 3d Qtr. 1949
All countries-----	97	109	126	123	+27	+13
Austria-----	69	118	132	133	+93	+13
Belgium-----	112	108	116	115	+3	+6
Denmark-----	133	133	161	145	+9	+9
France-----	110	112	125	113	+3	+1
Germany-----	¹ 41	74	90	97	+137	+31
Greece-----	69	93	106	120	+74	+29
Ireland-----	123	142	166	(²)	(²)	(²)
Italy-----	92	104	119	115	+25	+11
Netherlands-----	106	123	137	142	+34	+15
Norway-----	125	115	147	123	-2	+7
Sweden-----	148	141	169	148	0	+5
United Kingdom-----	128	130	148	142	+11	+9

¹ Bizone.

² Not available.

INDUSTRIAL PRODUCTION

September 1950 output was the highest on record ---
one-third above the prewar level.



^{1/} Excludes Iceland, Portugal and Switzerland for which no indexes are available.
^{2/} Excludes building.

Key Industries

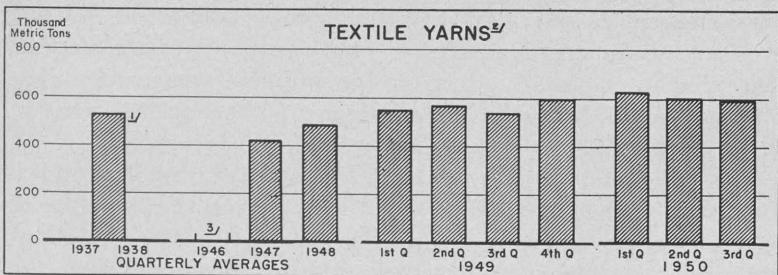
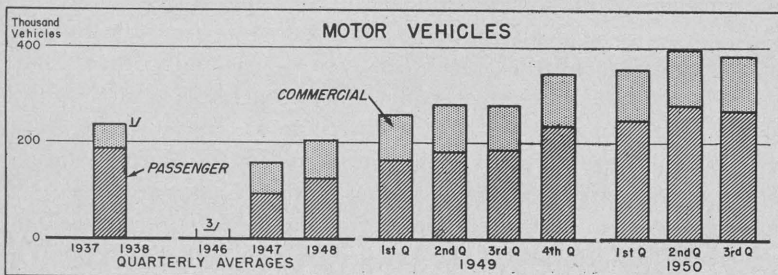
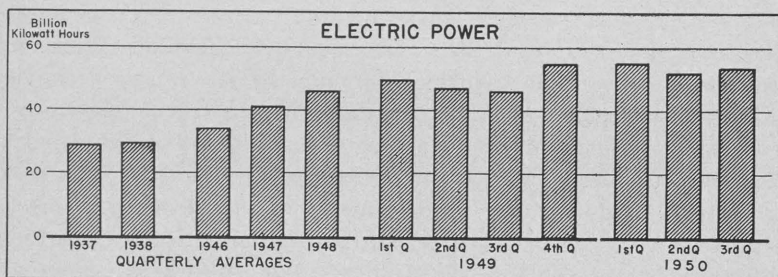
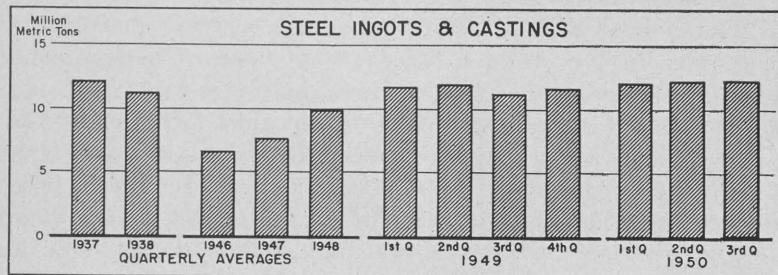
The usual seasonal decline in third quarter *steel production* did not develop this year. Output in the July–September quarter—12.3 million metric tons—was the highest for any quarter in the postwar period. The rate of gain over the preceding year rose sharply, to 10 percent, as against two to three percent for comparable comparisons in the preceding two quarters. Primarily responsible for this improvement was the 34 percent increase in German output. Other countries which showed substantial increases over the preceding year were Luxembourg (27 percent) and Italy (16 percent). Crude steel production in the United Kingdom was five percent higher than a year ago. Belgian production, however, was only slightly higher than in the preceding year and French output, including the Saar, was slightly below output of a year ago (appendix table A-2). The substantial orders for iron and steel products that flooded Western European producers in the months following the Korean crisis have built up a heavy backlog. The anticipated rise in steel exports plus increased domestic civilian and defense demands will undoubtedly result in a record steel output during the remainder of 1950.

Motor vehicles output in the third quarter was close to the record level achieved in the previous three months. Production during the third quarter averaged 128,000 vehicles per month as against 132,000 in the previous quarter and 94,000 a year earlier. September output was at a postwar peak—142,000 vehicles. Production in most countries during the third quarter was seasonally lower than in the second. Only in Germany did output achieve a new postwar peak. Percentagewise, the production of motor vehicles in Western Europe was 36 percent higher than in the corresponding quarter a year ago and 55 percent higher than the prewar level.

Coal production in the third quarter averaged about 35 million metric tons per month, about the same as a year ago. Although a seasonally low period, this output was only three million tons per month less than in the first quarter of 1950, the postwar peak. Among the principal producing countries, output was about five percent larger in Western Germany than in the previous year, about the same in the United Kingdom and Belgium, and below last year in France (appendix table A-4).

The supply-demand outlook for coal in Western Europe has undergone a striking change since June. Whereas during the first half of the year the supply appeared ample for most purposes, the sharp increase in business activity, plus stockpiling by consumers since the Korean crisis have changed the situation abruptly. Coal shortages began to appear almost everywhere and, in the absence of assurances that production could be increased quickly, plans were made to import coal again from the United States. Unless Western European

PRODUCTION IN BASIC INDUSTRIES ALL PARTICIPATING COUNTRIES



1/ Preliminary Average 2/ Cotton, rayon and wool
3/ Not available

coal output can be increased substantially over the next year or two, or other sources of energy provided, the difficulties experienced immediately following World War II will return.

Textile output in the third quarter remained slightly below the post-war high established during the first quarter of 1950. All three principal fibers, however, continued to show substantial gains over a year ago—rayon, 28 percent; wool, 5 percent; and cotton, about 6 percent. Compared to prewar, rayon continued to show the largest increase—72 percent; wool yarn output was 16 percent greater, while cotton yarn was still somewhat below 1938 output (appendix table A-6).

Electric power production was about the same as in the previous three months and about 15 percent higher than a year ago. The rise compared to last year was made possible by the substantial increase in thermal capacity as a result of new installations and by the restoration of drought depleted reservoir levels at hydroelectric plants in southern Europe. Output of electricity in Western Europe is now 70 percent greater than in 1938—a signal accomplishment of the post-war reconstruction program (appendix table A-3).

The rising output of building materials has enabled construction to increase steadily. *Cement production* averaged 4 million metric tons per month in the third quarter of 1950 in contrast to an average of 2.8 million tons in 1938. The output of this important building material, a good measure of construction activity, has thus increased more than 43 percent over prewar (appendix table A-5).

EMPLOYMENT

During the period under consideration, there occurred a general improvement in the employment situation of Western Europe. The number of workers generally increased and in several countries the trend was more favorable than usual seasonal expectations. Unemployment dropped below the levels of the early 1950 period and generally approached the figures for the third quarter of 1949.

In Germany, Italy and Belgium, where the unemployment problem had been most acute, the decline in joblessness was greatest. At the end of the quarter, unemployment in Germany was reduced to 1.3 million—35 percent less than the peak in February 1950.

Unemployment among insured workers in Belgium declined from 309,000 in January 1950 to 170,000 at the end of September. In Italy, for the comparable period, the number of registered unemployed declined about one-fourth, to 1.4 million.

The outbreak of war in Korea has raised the question of the adequacy of the Western European labor force for both defense and defense production. Countries with relatively high levels of employment were already experiencing critical labor shortages for some of the

more skilled occupations and for arduous types of work, such as coal mining. Even in those countries where surplus labor has been available, it was difficult to fill certain highly skilled jobs. On the whole, however, manpower shortages were not a major deterrent to expansion of economic activity during the quarter.

The increasing momentum of Communist aggression has now raised additional problems stemming from the diversion of manpower to the armed services. Most of the participating countries have some regulatory machinery available for directing labor to critical industries. Countries such as the United Kingdom and Norway never removed the emergency regulations set up during the last war. In others, where these provisions do not exist, state employment services are generally available to help facilitate labor transfers until such time as new mechanisms are set up. Closely related to the employment services are the facilities for training and retraining workers to meet the added burden of defense requirements. These facilities are still inadequate to meet the stepped-up demand for skilled workers.

It was apparent that a number of countries, particularly France, Belgium and Great Britain, will have to recruit foreign workers to meet requirements for a larger labor force. For the present no new machinery is anticipated for this purpose, although the activities of existing agencies organized to facilitate international transfers of workers will need to be expanded. The OEEC and the International Labor Organization have already done much to encourage member countries to facilitate the movement of workers between countries. Much more will be necessary if the unemployed manpower of Western Europe is to be fully utilized in the defense effort. One of the principal obstacles to be overcome in connection with foreign labor recruitment is housing, which in many participating countries has been inadequate even to meet the needs of local workers.

AGRICULTURE

During the July-September quarter, Western Europe continued to make progress in improving its agricultural position. Higher domestic output, together with ECA-financed imports and increasing foreign exchange earnings, points to greater amounts of food and tobacco for domestic consumption, particularly in those countries in which the disparity between current and prewar supply levels has been greatest.

Consumption of all fibers improved in 1949-50. However, short supplies of wool, cotton and other natural fibers are likely to result in textile supplies being reduced somewhat by the summer of 1951. The shortage of textiles will very likely be felt first in Western European export trade—a trade that has been of vital importance to Western

Europe. Supplies of wool and cotton clothing and household goods available to domestic consumers are likely to be maintained at current levels.

Agricultural output for the current crop year, 1950-51, is expected to be the best since the end of the war, probably reaching 109 percent of prewar levels. On a per capita basis, it is estimated that agricultural output in Western Europe in the current crop year will be about 98 percent of prewar in contrast to 79 percent three years ago.

The quality of the foods available for domestic consumption has improved considerably. Although the amount of meat consumed per capita is still markedly below the prewar level, the supply of sugar, fats and oils, and vegetables is approaching that of prewar. Moreover, the improved supply of meat, sugar, and fats and oils has already resulted in a decline in the per capita consumption of cereals and potatoes. If current expectations materialize, consumption of fresh milk, fish and fruit will be above prewar in 1950-51.

At the present time the most serious food problem is not the general level of supplies but rather the uneven distribution. With the general abandonment of government rationing, the food supply is now distributed almost entirely by price. Low income groups, including most industrial workers, have great difficulty in providing adequate diets for their families in view of current wage-price relationships. This situation continues to be an important element in the susceptibility of urban areas to Communist propaganda.

Imports of agricultural products from hard currency areas have declined considerably. This is due partly to more favorable domestic production and partly to an increase in supplies available from non-dollar areas.

Despite the expected gains in production and the relatively moderate improvements in consumption levels, Western Europe will still be dependent upon imports for one-third of its food, more than one-fourth of its feed grain and protein feeds, one-half of its tobacco, and almost all of its cotton and wool. No other region in the world is more dependent upon imports of food and agricultural commodities than is Western Europe.

It is therefore important that the gains made by the countries under the European Recovery Program be retained and expanded further in the coming years. This will depend upon further increases in productivity of the land and labor now employed in agriculture. In turn, increased productivity will require further technological progress in farming, and economic incentives and financial facilities which will make it profitable and practicable for the farmer to undertake the necessary improvements and investments. Further gains in agricultural productivity in most of the participating countries also depend upon improving extension services from which farmers can obtain technical and economic information. In some countries,

production goals cannot be attained without reasonable facilities for long- and short-term credit.

The ECA, together with the OEEC, has already played a large part in helping the participating countries to improve their agricultural output and productivity. ECA dollars have financed technical assistance projects and the ECA missions have helped direct the use of local currency counterpart funds for investment in agriculture. Not the least important aspect of the technical assistance program is the insight into the American way of life which the European takes away with him even after a short visit to the United States. He sees at first hand that a high standard of living is dependent upon high productivity and often comments to this effect upon his return.

Perhaps the most striking part of the ECA drive for increasing agricultural productivity has been the bringing together of the participating countries in cooperative technological projects. For example, with the objective of adopting newer and better grassland management practices, a Grassland Conference sponsored by OEEC was held in Paris during May 1950. As a result, a training school for grassland specialists was recently established under the auspices of the OEEC and the Danish Government. Assistance was also provided by a representative of the United States Department of Agriculture. This school was designed to bring to the specialists of the agricultural extension services throughout Western Europe the new techniques and practices in grassland management, which have been highly developed in Denmark.

The drive to improve Europe's grasslands is an outstanding example of the way in which the many important technological advances in agricultural practices in recent years can be spread and converted to practice through the OEEC and the ECA. Among the developments covered in the program are the use of fertilizers, improved seed, land reclamation techniques, and, last but not least, the value of agricultural advisory services. The grasslands drive also illustrates the cumulative results that can be achieved by integrating the many programs for agricultural recovery. When these programs are properly balanced and synchronized, the combined effect is much greater than if each were approached separately.

FINANCIAL STABILITY

Conflicting trends affected the financial positions of the participating countries during the third quarter. Their international positions continued to show striking improvement, government revenues increased and exports soared. The outbreak of war in Korea, however, brought about a resumption of pressures which reflected higher world prices for raw materials, foodstuffs and manufactured products. Furthermore, actual and impending increases in defense expenditures and

in capital expenditures to step up production and productivity presented a serious threat to the stability achieved thus far.

Gold and dollar reserves of the participating countries (omitting Switzerland) increased about \$700 million during the third quarter. This increase followed the accumulation of about \$1.1 billion during the first half of 1950 and \$350 million in the last quarter of 1949. Thus, the total gain in reserves since the realignment of Western Europe's currencies in September 1949 was approximately \$2 billion. The largest part of this rise accrued to the reserves of the United Kingdom which increased from \$1.4 to \$2.8 billion. Other large gains were reported by France, Germany, the Netherlands and Sweden. Belgium, which had shown a substantial improvement in reserves during 1948 and 1949, reported a decline during this same twelve month period (appendix table A-10).

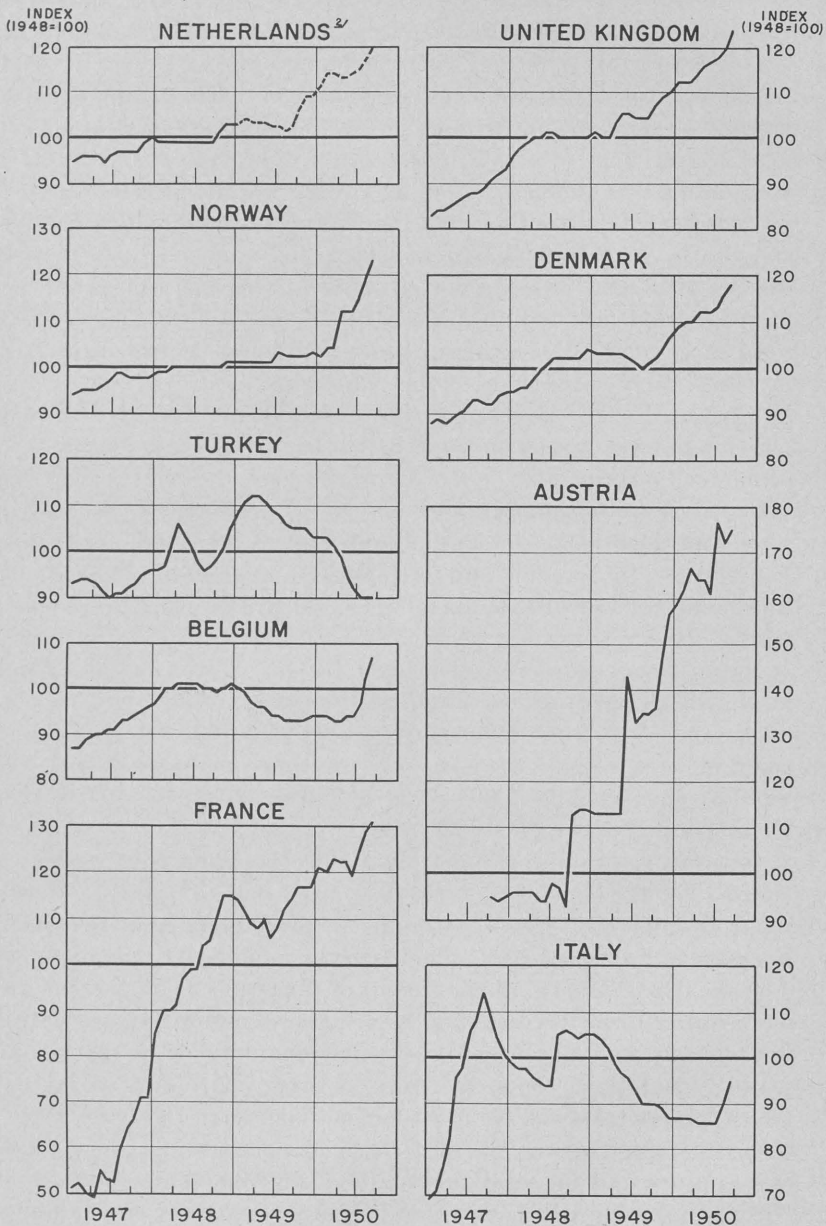
In most of the Western European countries, the third quarter rise in wholesale prices was about the same as in the United States—roughly 8 percent. The largest increase—14 percent—occurred in Belgium where wholesale prices in June had been depressed by a low level of economic activity. In Greece, prices rose 13 percent; in France, Italy, Western Germany and Norway, 10 percent; and in the United Kingdom, Denmark, the Netherlands and Switzerland, between 5 and 7 percent. In Sweden and Ireland the aggregate wholesale price index did not reflect the change in world prices which had developed since June.

Retail prices—still considerably affected by controls and subsidies in almost all participating countries—showed a much smaller change. As compared to June 1950, only Greece and Belgium showed a considerable rise—about 7 percent. In other countries, retail prices varied from a decline of 3 percent in Turkey to a rise of 3 percent in Denmark and Norway.

Within each country, inflation tends to throw the burden of increased defense expenditures on those least able to bear it. Moreover, inflation generally gives a stimulus to production and investment in unessential industries at a time when they should be curtailed. Each country, then, must find the means of diverting a substantial volume of resources from civilian use, or from production for use within its borders, without allowing increased demand to drive prices up and foster speculation. In some countries, the retention of rationing and allocation controls will facilitate early diversion of resources to defense uses. In all countries, the authorities recognize that the dissipation of resources and demoralizing shifts of income that result from unchecked inflation will have to be fought by generally unpopular fiscal and financial policies such as increased taxation, reductions in investment programs and the curtailment of some forms of government expenditures.

WHOLESALE PRICESin Selected Participating Countries¹

Increases in the third quarter of 1950 largely reflected higher world prices for raw materials, foodstuffs and manufactured products.



¹ Indexes measure changes in wholesale prices of foods, raw materials, semifinished and finished goods with the following variations: France and Belgium exclude finished consumer goods and Austria includes only food and raw materials.

² Revised for 1949 and 1950.

FOREIGN TRADE

Western Europe's export trade responded almost immediately to the international crisis precipitated by the invasion of Korea. The intensified demand for Europe's materials and manufactures, sharpened by the earlier currency devaluations and a business boom in the United States, lifted shipments to a record level. During the third quarter of 1950, the export volume increased to 131 percent of the prewar base, and rose more than 8 percent above the level of the previous three months. The most notable export gains were registered by the United Kingdom, Western Germany, the Netherlands, Switzerland and Denmark (appendix table A-7).

Since imports during this period were lower than during the previous quarter, Western Europe's trade balance improved materially. Combined with the effect of increased invisible receipts, this produced a further rise in gold and hard currency reserves.

With respect to invisible receipts, the trend in the number of United States travelers to Western Europe continued upward for the first nine months of 1950. Over 250,000 American residents spent approximately \$190 million in the Marshall Plan countries during this period. An additional \$118 million were paid by these tourists to trans-Atlantic carriers of the participating countries.

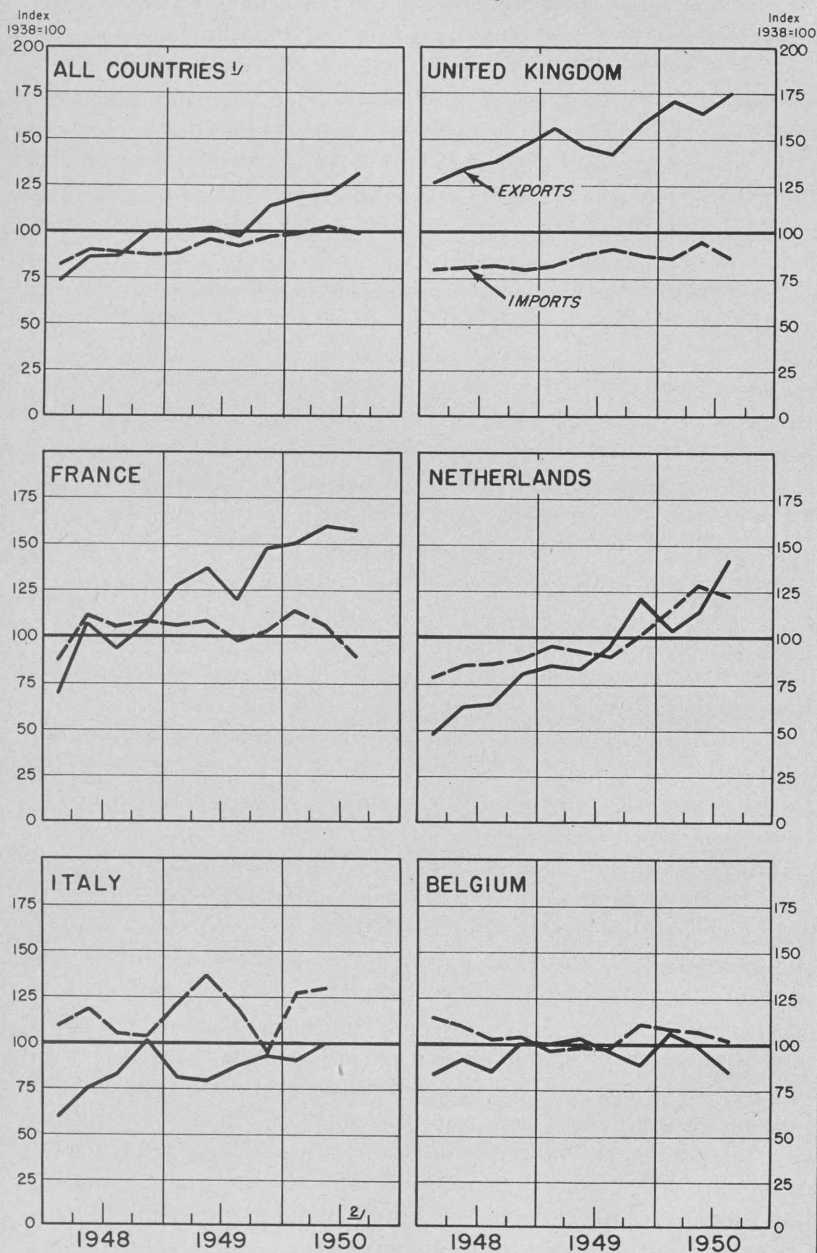
Imports by the participating countries from the rest of the world during the third quarter were slightly lower than the quarterly average for the first six months of the year. This reduction was made possible by a freer exchange of goods among the Western European nations.

The index of intra-European trade volume for the July-September quarter rose to 123 percent of the prewar base, in contrast to 117 percent for the previous quarter. For September, the intra-European trade index reached 129.

The change in the pattern and balance of United States trade during the third quarter was again one of the most important developments affecting the economic position of the participating countries. In the third quarter of 1950, the United States had a trade deficit for the first time in 13 years. United States exports, at \$2,346 million (excluding shipments under the Military Defense Assistance Program), were less than imports which totaled \$2,386 million. In the corresponding period, a year ago, the United States had a trade surplus of \$1.2 billion. For the first nine months of 1950, the United States surplus totaled only one billion dollars (excluding MDAP) in contrast to \$4.5 billion in the same 1949 period. The change from the corresponding months of 1947, when the Marshall Plan was being formulated, is even more striking; for that period the surplus totaled over \$7 billion.

VOLUME OF COMMODITY TRADE...ADJUSTED FOR PRICE CHANGES

Exports of the ERP countries increased to 131 percent of the prewar level during the third quarter of 1950 -- an all-time high.



1/Excludes Greece. Includes United Kingdom reexports.
2/Not available.

UNITED STATES WORLD TRADE, BY QUARTERS, 1949-50

[Millions of dollars]

Item	1949				1950		
	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Exports-----	3, 325	3, 362	2, 684	2, 629	2, 381	2, 511	¹ 2, 446
Imports-----	1, 790	1, 601	1, 478	1, 759	1, 885	1, 928	2, 386
United States trade balance--	1, 535	1, 761	1, 206	870	496	583	¹ 60
<i>Metropolitan ERP areas</i> -----	910	999	668	653	549	521	258
<i>ERP overseas territories</i> ² -----	-6	24	30	-11	-55	-84	-95
<i>Nonparticipating sterling areas</i> -----	75	105	61	-2	-17	-11	-78
<i>Canada</i> -----	100	181	129	7	-7	53	4
<i>Latin America</i> -----	159	142	95	14	-82	35	-196
<i>Other areas</i> -----	297	310	223	209	108	69	-6

¹ Exports include \$100 million worth of shipments financed under the MDAP. The area distribution omits "Special Category" exports totaling \$172 million which include a large proportion of the MDAP shipments.

² Excludes Indonesia which is shown with "Other areas."

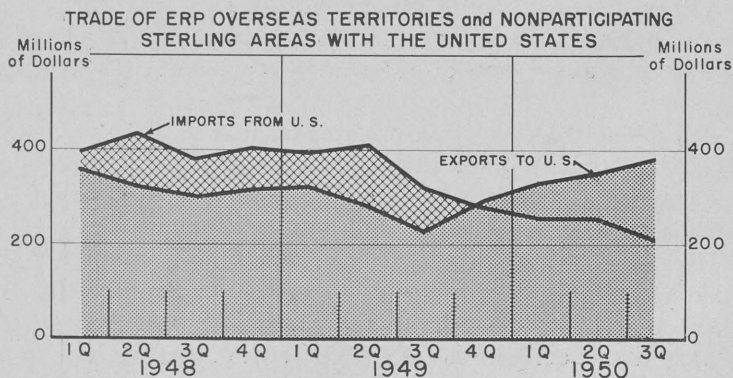
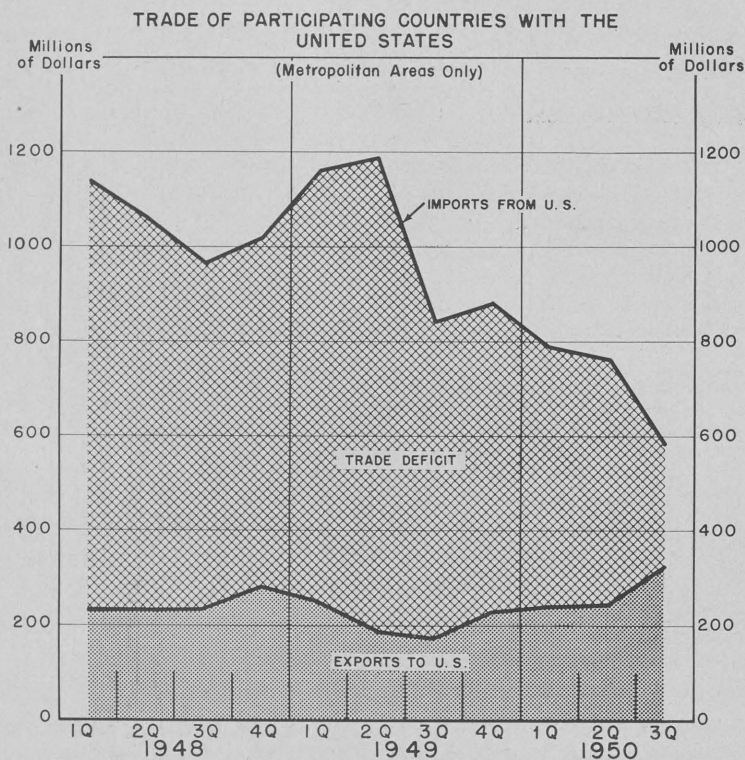
In addition to the decline in United States exports, two further developments in the pattern of United States trade during this period were of importance to the international economic position of the participating countries: (1) the general increase in United States imports since April, and (2) the rise in the United States trade deficit with Latin American and the nonparticipating sterling countries.

As indicated in the accompanying table, the deficit with the latter areas increased sharply during the third quarter. Following the outbreak of war in Korea, the great rise, both in volume and price of United States imports of commodities such as rubber, tin, sugar, cocoa, hides and wool, swelled the already large trade deficit the United States had developed with these areas during the first half of the year.

The dollar trade position of Canada, too, improved greatly. The deficit in Canada's trade with the United States, which amounted to \$129 million in the third quarter of 1949, was reduced in the three months ended September 1950 to only \$4 million.

That the outflow of dollars from the United States in settlement of trade deficits with Latin America and the nonparticipating countries in the sterling area has improved the hard currency position of the participating countries is indicated by the large increase in Western Europe's hard currency reserves during the past year. Much of this increase represents a transfer of dollar earnings from the overseas areas and Latin America, an outgrowth of special monetary arrangements, as in the sterling area, or in payment for Western Europe's goods and services.

TRADE WITH THE UNITED STATES of the participating countries, their overseas territories and the sterling area.^{1/}

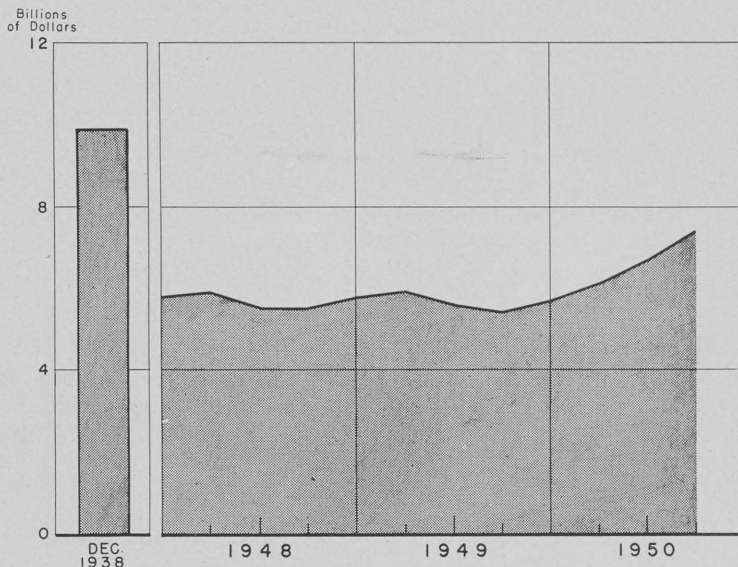


^{1/} Excludes "Special Category" shipments from the United States, not classified by country or area.

Source: U. S. Customs data, Dept. of Commerce.

GOLD AND SHORT-TERM DOLLAR ASSETS[✓]...

Holdings of the participating countries increased \$2 billion since the revaluation of currencies a year ago.



NOTE: March 1950 estimated.

[✓] Excludes Switzerland.

Dollar Trade Development

Events following the invasion of Korea have required a reorientation of the work of ECA in the field of dollar trade development, as well as in many other areas of activity. The basic objective of this program—to assist and stimulate the efforts of the ERP countries to increase their dollar earnings as a means of balancing their international accounts at high levels of trade—remained the same in nature and importance. However, the problem of expanding dollar earnings must now take into account not only the basic factors which governed activities in this field previously, but also a number of special factors which have become important as a result of recent events. Participating country export programs must now be fitted into the demands of the mutual defense program and the competing demands of the United States and other markets.

These changes will significantly affect both sides of the dollar accounts of the ERP countries. The need for dollars (and indeed for extra-European currencies of all kinds) will be increased as a result of additional commodity requirements for military and civilian purposes and by price increases on commodities to be imported. On the other hand, dollar expenditures will tend to be reduced by the limited availability of some of the commodities which the European nations

would otherwise be buying. On the dollar earning side, opportunities will be improved by greater demand both in the United States and in third markets. The ability of the ERP countries to take advantage of these opportunities will be affected by the availability of raw materials and supplies and by any inflation which takes place.

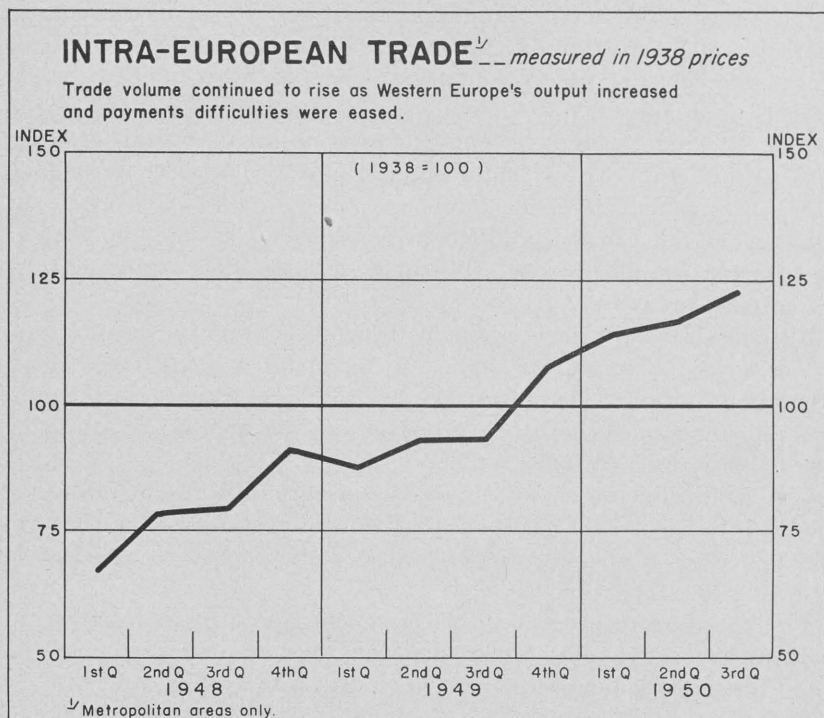
During the quarter, the Export Promotion Division in the Office of the Special Representative in Paris and the export promotion officers in the country missions continued the work of assisting the participating countries in the development of dollar exports. A full-time export promotion officer was appointed to the ECA Mission to France. Similar appointments were made earlier to the ECA mission staffs in the United Kingdom, Western Germany and Italy. In the smaller missions, one man among the existing personnel was designated to work on export promotion on a part-time basis. Representatives of the Departments of Commerce, State, and Treasury, designated to work with the Export Promotion Division in stimulating dollar exports proved to be of great help in their particular fields. Considerable work was done in resolving with the United States Bureau of Customs problems of classifications and procedures, which were alleged to be impeding imports. Much of the work was in the nature of educating the participating countries' exporters and explaining to them the United States customs regulations.

PROGRESS TOWARD ECONOMIC UNIFICATION

Closer integration of the economies of the countries of Western Europe was never more vital. The necessity for increased defense preparations by the Marshall Plan countries has increased rather than lessened the urgency of efforts to develop a unified European market. Trade liberalization measures, as steps in this direction, can be expected to contribute to the more efficient utilization of economic resources and the expanding economy required to assure a combination of reasonable living standards and an adequate military establishment. Moreover, the pressure of the crisis, and the resulting competition for resources, make imperative the accomplishment of such shifts as may be desirable to meet immediate defense and longer-range production plans. Earlier fears that liberalization measures might cause unemployment and deflation have little basis in the new situation which confronts the participating countries.

The importance of going forward with the trade liberalization program in the areas undertaken to date, and of broadening the effort to encompass other forms of restrictions which retard the economic development of Western Europe has been highlighted in the discussions of the participating countries during the quarter under review. Not limiting the objective to the removal of quantitative restrictions on imports, the participating countries have laid

stress on the need at this stage to reduce other barriers, particularly excessive tariffs, and to give further attention to the liberalization of invisible transactions and increased mobility of manpower. The need to take into account the effect of such restrictions in assessing the progress of individual countries and in developing further



liberalization plans was emphasized by some countries. The areas to be affected, and the sequence and timing of actions to be taken have thus become matters for serious deliberation.

The failure to take parallel actions to reduce remaining restrictions on trade and invisible transactions, or even to proceed with the accomplishment of contemplated steps and attendant adjustments because of the uncertain times, might easily thwart the gains attained thus far. One further danger which the international crisis poses is that trade liberalization could be frustrated by unwarranted export controls. The attempt is being made, however, to have such measures as may be necessary to conserve resources consistent with the spirit of the trade liberalization program in order to avoid disguised protectionism. The coordination of defense production among the participating countries, with a minimum of wasted effort and inflationary pressure, is in itself a powerful force toward closer economic and monetary association.

Liberalization of Trade

Approximately a year has passed since the Marshall Plan countries, acting through the OEEC, embarked on a program calling for the progressive liberalization of trade. The initial objective, to assist in the expansion of intra-European trade, centered on the removal of quantitative restrictions on imports because of their discriminatory character and throttling effects on economic development. During this period most of the participating countries have fulfilled, or exceeded, their agreements to remove quantitative restrictions on 60 percent of their private account imports from one another, using 1948 as the base year for computing purposes. The 60-percent goal, which became effective on October 4, 1950, fifteen days after the adoption of the European Payments Union, superseded the 50-percent target established on November 2, 1949, for attainment by December 15, 1949.

All liberalization measures taken to achieve the 60-percent quota, it was agreed, were to be applied to all member countries without discrimination after December 31, 1950. The discriminatory application of remaining quantitative restrictions on intra-European trade was to cease by February 1, 1951.

The establishment of a common list of agricultural and industrial products to serve as a guide in continuing negotiations for the progressive removal of quantitative import restrictions was also agreed to during the third quarter.

The intention to progress to a 75-percent quota in the removal of quantitative restrictions on imports has been clearly a part of the trade liberalization program, although the timing and other details were left to be determined in the light of circumstances obtaining after June 30, 1950 and results achieved with earlier liberalization measures. Deliberations on this step were thus carried on by the OEEC member countries during most of the quarter ended September 30, 1950. Largely due to the delayed institution of the 60-percent quota, which was hinged to the establishment of the European Payments Union, it was October before agreement was reached, subject to certain conditions, to remove quantitative restrictions on 75 percent of imports by February 1, 1951.

In addition to the problems raised previously—dual pricing, state trading, excessive tariffs, dumping, and mobility of manpower, one or more of which various countries felt must be resolved before the 75-percent quota could be achieved—new considerations arising out of the Korean war were advanced during the deliberations as obstacles to further liberalization at present. Some countries felt the problems of raw material shortages and their allocation, together with the possible need for price and rationing controls and the means of combating renewed inflationary pressures should be faced, and the effects

of increased defense efforts more clearly foreseen, before they could commit themselves to achieve a higher trade liberalization target. Although these problems can be expected to have an impact on intra-European trade and payments, the allocation and conservation of scarce resources to assure the achievement of military production goals are not inconsistent with the further removal of import restrictions. The most effective use of resources implies increased specialization of production, greater interdependence and less national autarky through greater liberalization and expansion of trade. Furthermore, the additional imports obtained as a result of liberalization measures can be expected to assist in minimizing adverse impacts upon the civilian economy by helping to counteract inflationary tendencies during the rearmament period.

The development during the quarter of a Code of Liberalization of Trade was indicative of the progress achieved to date in this area. The Code, which became fully effective concurrently with the signing of the Agreement for the Establishment of a European Payments Union, combines the decisions taken by the OEEC since July 4, 1949—when the Council of Ministers first decided on steps for the progressive elimination of quantitative restrictions on imports—with the agreement of July 7, 1950, on principles of commercial policy.¹ The separate status accorded the Code, while not disturbing its close relationship to the EPU agreement, since both are parts of a single comprehensive program, allows it a continuous process of development. Trade liberalization was materially furthered by the establishment of the multilateral payments system embodied in the EPU. With European currencies freely transferable under the new payments agreement, there remains little further occasion for the discriminatory application of quantitative restrictions on balance of payments grounds.

To cope with serious economic disturbances, a country may suspend liberalization measures under certain circumstances. Notification of such action with justification must be given to the OEEC. The Special Restricted Committees, for which the code makes provision, functioning within the OEEC, will consider and make recommendations after investigating the problem. The success of the liberalization program will in a large measure depend on the competence and vigor of the Special Restricted Committees and in the acceptance of their recommendations by the participating countries.

The Schuman Plan.—The first session of the conference of the six European countries—France, Germany, Belgium, Luxembourg, the Netherlands and Italy—negotiating on the French proposal to pool the major coal and steel industries of Europe ended on August 10 with a public statement by heads of delegations and a series of committee

¹ The text of the Code appears in the *Supplement to the Ninth Report to Congress of the Economic Cooperation Administration*.

reports. While various subcommittees continued to work on the details of the plan, general agreement had been reached on the area to be covered and the character of the organization required for the plan's implementation.

The structure proposed is four-fold. The central organization is to be a supranational High Authority, an executive body of from six to nine members who are explicitly not to be representative of participating governments but to be individuals chosen collectively by the governments for their economic and political competence. The High Authority will deal not only with the participating governments but also directly with the industry and with advisory groups from labor and the consumers of coal and steel. The second organization planned is a special Council of Ministers, one from each of the participating governments. Its chief purpose would be the coordination through consultation of the general economic policies of the governments with the work of the Authority. The third body proposed is a Common Assembly, composed of delegates from the national parliaments of the participating countries to whom the High Authority would report annually. Finally, a Court of Justice is contemplated to hear appeals from member countries or firms relating to the jurisdiction of the Authority and other governing bodies.

Furthermore, the conference decided that all tariffs, quantitative restrictions, discriminatory taxes or freight rates and other barriers to a single market in coal and steel between the six countries should be abolished after the approved organizations have been established.

Several fundamental decisions remain to be made, such as the manner of voting in the various proposed organizations, tariffs toward third parties, prices and freight basing points.

Proposals for Further Economic Integration.—During the quarter, the proposals of three member countries for the further economic integration of Europe—identified as the Stikker, Pella and Petsche plans after the names of the respective delegates of the Netherlands, Italy and France, by whom they were presented—were studied intensively by the OEEC. With these studies as a guide, it is hoped that agreement might be reached on a single plan, the implementation of which would make possible the creation of a wider, freer European market.

The three proposals are alike in that they all consider that a free European market means not only the removal of quantitative restrictions but also the reduction or abolition of tariffs and the abolition of dual pricing and other discriminatory practices in Europe. All three plans view the creation of a wider, freer European market as a means of lowering production costs in Western Europe and as a step toward the achievement of the OEEC's other economic aims, including the return to multilateral world trade. The three plans differ, however,

with regard to the timing of the integration and the procedure to be followed in its achievement.

The Italian plan places emphasis upon the preferential reduction of tariffs among the member countries of the OEEC. The Netherlands plan entails an industry-by-industry approach in which liberalization measures are applied in turn to one segment of the European economy after another as each is agreed to by the OEEC as a suitable area for the furtherance of ultimate liberalization aims.

The Dutch proposal also envisages a European integration fund which would give assistance to governments for the modernization of industries adversely affected by liberalization measures or for new investments in unrestricted industries. The French proposal calls for the establishment of a European investment bank to finance the modernization of industries and investment projects for the concentration and specialization of industries under the most economic conditions. In contrast to the Dutch integration fund, the investment bank would not be limited to assistance which might become necessary in a particular country confronted with the repercussions of liberalization. Its more general purpose would be to assist in financing projects whose production would yield a commercial return in an unrestricted European market, and would become, as rapidly as possible, competitive on world markets. The integration fund, which would be temporary, would lend only to governments, and only in cases where the resources of the country in question would not suffice to carry out the modernization or new investment prospects recognized as necessary. The bank, a permanent institution, would lend to private and state enterprises as well as governments and would require the participation of private capital in all projects assisted.

In its studies of the three plans, the OEEC has reached general agreement on a program of future work which embodies a combination of the three approaches and which by early next year may be expected to reveal the concrete obstacles to integration, the specific problems which integration will create, and the most feasible solutions to these difficulties. The organization proposes to undertake individual studies of a number of segments of industry and agriculture, a detailed examination of problems raised by existing international tariff obligations, and a general examination of problems of integration and their effects on the domestic economies of each member country. In addition, an intensive study will be made of the Stikker proposal for a European integration fund and the Petsche plan for a European investment bank.

European Payments Union

The Agreement for the Establishment of a European Payments Union, which was signed by the participating countries on September 19,

1950, became effective retroactively from July 1.² The first clearing of payments balances covered transactions during the quarter ended September 30, 1950. Subsequent clearings will take place monthly.

With the establishment of the EPU, the Western European nations made the most important advance towards economic integration since they formed the OEEC. In taking this step, the long-sought goal of currency convertibility within Europe is brought much nearer.

The new payments agreement provides for the multilateral settlement of balances resulting from current intra-European trade and invisible transactions by permitting the participating countries and their associated monetary areas to offset their deficits against their surpluses. Thus the various European currencies become in effect convertible among themselves. Under the previous intra-European payments agreement, the participating countries settled their accounts bilaterally.

While a working capital fund is being made available by the United States to make the plan feasible initially, the EPU is designed to remain in being, if necessary, after the termination of ECA financial aid "until it is possible to establish, by other means, a multilateral system of European payments." In thus encouraging the establishment of a basis for a multilateral system of payments capable of operating without outside assistance, the way is opened for a freer exchange of goods and services, without bilateral restriction.

EPU Mechanics.—Under the EPU, each member is assigned a quota equal to 15 percent of its intra-European exports, imports and invisible transactions in 1949. These quotas, including the sterling area, for which special provision was made in the agreement, total 3,950 million units of account (a unit of account is defined as an amount of gold equal to the gold content of the United States dollar).

In addition, as indicated in the table following, six countries which were expected to run deficits that they could not cover under the system, or repay in the foreseeable future, were given so-called initial credit balances totaling 314 million units of account. Ten million units of account of the initial balance credited to Norway and all of the amount accorded to Turkey, are to be made available by EPU as loans. The remaining 50 million units of the Norwegian initial credit balance and the balances credited to other debtor countries are available through EPU as grants.

Three prospective creditors—the United Kingdom, Belgium Luxembourg and Sweden—were given initial debit balances totaling 215 million units. The initial debit balances represent, in effect, grants by these prospective surplus countries to EPU for which these nations receive equivalent amounts of conditional aid as part of their ECA

² The text of this Agreement is reproduced in the *Supplement to the Ninth Report to Congress of the Economic Cooperation Administration*.

dollar aid allocation. Initial credit and debit balances are thus somewhat similar to drawing rights under the Intra-European Payments Agreement which expired on June 30, 1950. Allotted for the period from July 1, 1950, to June 30, 1951, they will be utilized before settlements are applied against a country's quota.

All countries allotted initial credit balances have executed exchanges of notes providing for the deposit of local currency counterpart equivalent in value to the balances drawn upon as grants.³

The Bank for International Settlements, as agent for the European Payments Union, using monthly statements submitted by the member countries, calculates the net surplus or deficit position of each member country by obtaining its combined payments balance with all other participants retroactively to July 1, 1950. These balances are then adjusted for the use of existing resources (agreed amounts of foreign currency holdings) by debtor countries. The remaining deficits and surpluses are then offset against the initial balances. Only after an initial balance is exhausted, or where none was allotted, is the surplus or deficit applied to a country's quota.

The relationship of this balance of each member to its respective quota determines the proportion of credit extension and gold payment required for settlement with EPU. For both debtors and creditors, the first 20 percent of quota involves no transfer of gold; thereafter, separate schedules with larger gold requirements apply. For balances in excess of the first fifth of quota, creditor countries receive 50 percent of the settlement from EPU in gold while extending credit to EPU for the remainder. For debtors, the amount of gold required for settlement with EPU increases progressively with each fifth of quota, until full payment in gold is required. Incentives are, therefore, provided to induce countries to avoid excessive deficits or surpluses and to encourage basic shifts in resources to this end.

First Clearing Operation

The first clearing of payments balances under the EPU agreement covered transactions which took place between July 1 and September 30, 1950, and applied to all countries participating in the OEEC except Switzerland which had not yet ratified its membership in the EPU.

The outstanding developments during the quarter were (1) the unexpectedly large deficit of Germany which required the German Government to pay nearly \$31 million in gold to EPU out of her limited reserves, (2) the sizeable deficit of the Netherlands which completely exhausted the initial credit position allotted to that country, and (3) the heavy surplus of France, which required a gold payment by EPU of nearly \$41 million.

³ Copies of these notes appear in the *Supplement to the Ninth Report to Congress of the Economic Cooperation Administration*.

The German deficit is generally not considered to be due to fundamental causes. Exchange and inventory speculation played a major role in the deterioration of Germany's intra-European payments position. While a rise in foreign purchases may have been a natural accompaniment of the increased industrial activity during the third quarter of this year, scare buying of raw materials, and speculation based on an expectation of currency revaluations represented powerful factors contributing to an import boom and a payments crisis. In part this condition is expected to be corrected as orders for long-lead items move out of the in-process stage and are reflected as finished goods exports. The Managing Board of EPU sent experts to study the situation with a view to recommending remedial action to the German Government.

SUMMARY OF FIRST CLEARING OPERATION UNDER EPU

Country	Quota (million units of account) ¹	Initial credit (cr) or debit (dr) balances (million units of account)	Net payments surplus (+) or deficit (-) after adjustments for the use of existing resources ² (million units of account)	Percent of initial balance used	Percent of quota used
Total	3, 950				
Austria	70	80 <i>cr</i>	-8	10	
Belgium-Luxembourg	360	44 <i>dr</i>		0	0
Denmark	195		-16		8
France	520		+186		35
Germany	320		-173		54
Greece	45	115 <i>cr</i>	-41	36	
Iceland	15	4 <i>cr</i>	-2	47	0
Italy	205		+2		1
Netherlands	330	30 <i>cr</i>	-41	100	4
Norway	200	60 <i>cr</i>	-11	18	0
Portugal	70		+18		25
Sweden	260	21 <i>dr</i>	+6	26	0
Switzerland ³	250				0
Turkey	50	25 <i>cr</i>	+1	0	3
United Kingdom	1, 060	150 <i>dr</i>	+80	53	0

¹ One unit of account equals the gold value of the United States dollar.

² This column shows the net payments position of each participating country prior to the use of initial balances. It includes amortization payments for balances outstanding from pre-EPU bilateral payments agreements where negotiations regarding their consolidation had been concluded. Where such negotiations were not complete, monthly payments to amortize such obligations had not started, but remained to be settled in future clearings.

³ Since the Swiss Parliament did not ratify its membership in the EPU until October 26, none of the transactions in the first accounting period involving Switzerland were settled through the Union. Switzerland will be included in the EPU clearings beginning November 1.

The deficit position of the Netherlands was due mainly to the increased volume of textile imports from Belgium. After using its entire initial credit balance, the Netherlands financed the remainder of its deficit by receiving credits from EPU.

France had an unexpectedly large net surplus with EPU in the first clearing operation due partially to large tourism receipts. In addition to France, Portugal, also because of its net surplus position, was the only other recipient of gold from EPU.

Several net debtor countries—Norway, Greece, Austria and Ireland—offset their deficits against their initial credit balances and thus used no part of their quotas. On the other hand, the surpluses of Sweden and the United Kingdom were charged against their initial debit balances so that they received no gold from EPU. Belgium, the only other country with an initial debit balance, was not in a net surplus position for the first accounting period.

Based on payments transactions within the quarter, before adjustments for the use of existing resources and initial positions, six of the participants—France, the United Kingdom, Portugal, Sweden, Italy and Turkey—were in a net creditor position. Eight countries—Germany, Greece, the Netherlands, Denmark, Norway, Austria, Belgium-Luxembourg, and Iceland—were net debtors. After all clearing operations the net surpluses for the first group, and the net deficits for the second group, subject to settlement under the EPU rules, each amounted to 310.3 million units. The equivalent of approximately \$20 million in existing resources was used by debtors to reduce their deficits in the first settlement of payments balances.

Gold receipts by EPU amounted to \$31 million, whereas gold payments totaled \$42.6 million. The gold obligation of EPU was obtained from the working capital fund which the United States agreed to provide so that the EPU would have sufficient convertible assets to fulfill its obligations. Portions of this fund, which amounts to \$350 million, will be made available to the Union as needed to carry out the automatic operations prescribed in the agreement but only to the extent that other assets are inadequate for this purpose. In addition, a fund is being held by the ECA for special assistance which the United States would provide on its own initiative or in its discretion, upon recommendation by the OEEC.

In addition to gold transactions, EPU received credits totaling 164.4 million units from four countries in the first clearing and at the same time extended credits amounting to 169.5 million units to debtor countries. Thus, the net extension of credits by EPU was 5.1 million units.

The net gold loss and simultaneous net credit extension by EPU was not unexpected in the early stages of EPU operations. It is attributable to the character of the gold payments provision, which requires that creditors receive gold payments equal to one-half of their surpluses, after the gold-free installment of their quotas has been reached; while the gold payment scale for debtors is graduated, rising from 40 percent to 60 percent only when three-fifths of the quota is used. Thus, the German net deficit was financed primarily by EPU credits and a

considerably smaller gold payment to EPU, while the French and Portuguese net surpluses required relatively more gold payments to those countries and relatively less credit extension by them.

The key role which the European Payments Union is designed to play in the promotion of expanded intra-European trade in an environment of diminishing restrictions and increased strength and security through the cooperative efforts of its members, is heightened by the changes now occurring in the economic situation of some of the participating countries because of recent international developments.

CHAPTER II

ECA Programs For Europe

THE funds available for the European Recovery Program during the current fiscal year are more than one-third lower than in the preceding twelve months. Altogether, about \$12.3 billion have been made available for ECA use—\$5.9 were obligated in the 15-month period, April 3, 1948, to June 30, 1949, and \$3.7 billion for fiscal year 1950; for the current fiscal year \$2.7 billion are available for obligation. As a consequence of the decrease in appropriation, procurement-financing activity will, of necessity, decline in comparison with previous periods.

In the course of the third quarter, the Administration allotted an additional \$500 million to the participating countries. The accompanying table shows allotments, by country, since the beginning of ECA.

ALLOTMENTS TO PARTICIPATING COUNTRIES, APRIL 1948—SEPTEMBER 1950

[Millions of dollars]

Country	Total ¹	Direct grant	Loan	Conditional aid	Unallocated by type of aid
All countries-----	9, 963. 6	4, 459. 3	1, 115. 0	1, 030. 5	3, 358. 8
United Kingdom-----	2, 667. 0	971. 0	336. 9	334. 0	1, 025. 1
France-----	2, 089. 6	1, 149. 8	182. 4	9. 7	747. 7
Italy-----	1, 105. 7	554. 5	73. 0	48. 4	429. 8
Germany (Federal Republic) ² ---	989. 3	516. 1	---	97. 4	375. 8
Netherlands ³ -----	908. 7	459. 6	150. 7	11. 3	287. 1
Belgium-Luxembourg-----	497. 1	3. 0	52. 6	417. 5	24. 0
Austria-----	467. 4	276. 9	---	3. 1	187. 4
Greece-----	376. 0	348. 0	---	---	28. 0
Denmark-----	222. 2	90. 1	31. 0	5. 1	96. 0
Norway-----	203. 1	49. 6	35. 0	16. 5	102. 0
Ireland-----	142. 9	3. 0	128. 2	---	11. 7
Turkey-----	113. 0	---	73. 0	11. 0	29. 0
Sweden-----	99. 4	---	20. 4	73. 0	6. 0
Portugal-----	35. 5	---	27. 5	---	8. 0
Trieste-----	30. 5	30. 2	---	---	. 3
Iceland-----	16. 2	7. 5	4. 3	3. 5	. 9

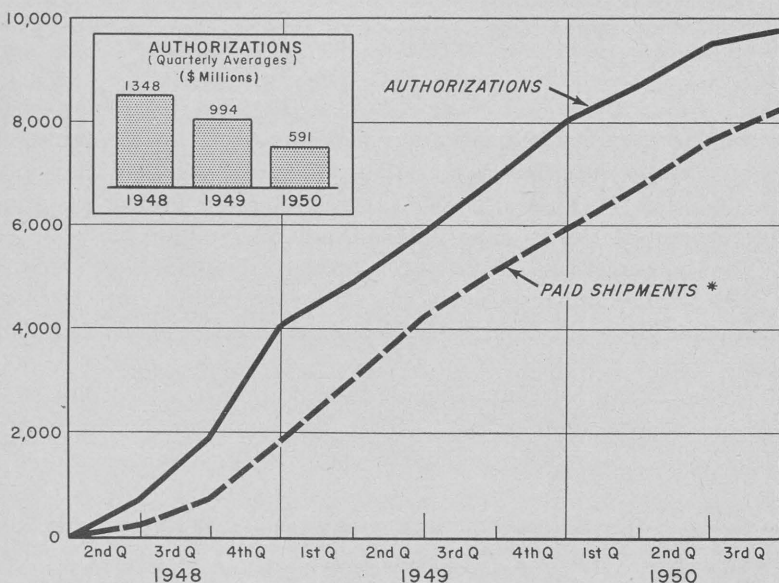
¹ Excludes GARIOA and funds for special programs such as technical assistance, strategic materials and relief shipments.

² Includes allotments previously assigned to Bizone and French Zone.

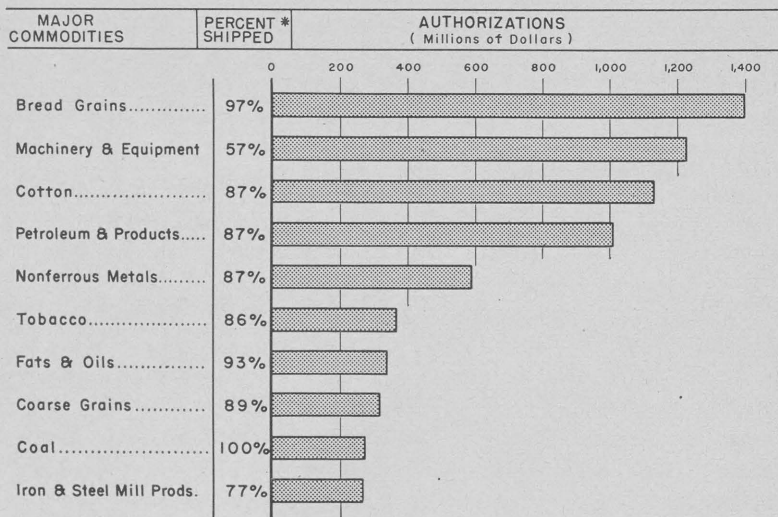
³ Includes aid to Indonesia prior to July 1, 1950.

THE PROCUREMENT PROGRAM

Through September 30, 1950, ECA had issued authorizations for commodities and services worth \$9.8 billion; payments against deliveries totaled \$8.2 billion.



Industrial items accounted for more than half of all commodity authorizations to date.



* Shipments for which payment by ECA was completed..

AUTHORIZATIONS AND SHIPMENTS

Emphasizing declining dollar aid to Western Europe, procurement authorizations issued by ECA during the July–September quarter of 1950 dropped to \$295 million, the lowest amount by far for any quarter to date (appendix table B-1).

Compared to the preceding three-month period, authorizations were considerably lower for each of the major commodity groups; the greatest decrease was for machinery and vehicles with only \$9 million authorized in the quarter under review. Raw materials and semi-finished products comprised 44 percent of the quarter's approvals followed by food, feed and fertilizer with 24 percent.

Through September 30, 1950, cumulative approved procurement totaled \$9.8 billion. Expenditures aggregated \$8.2 billion for goods and services already delivered (appendix tables B-2 and B-5).

Food, Feed and Fertilizer.—Purchase approvals for commodities in this category during the third quarter of 1950 amounted to only \$72 million. Bread grains and coarse grains comprised about four-fifths of these approvals and were primarily for the Federal Republic of Germany. Among other participating countries, France received the largest amount—\$12 million worth of corn.

Since ECA operations began, the procurement of over \$2.8 billion worth of food, feed and fertilizer has been approved of which 95 percent has been shipped and paid for. The major recipient to date, the United Kingdom, received no authorizations during the July–September quarter.

Fuel.—As in the preceding three quarters, all of the fuel authorizations in the third quarter of 1950 were for petroleum, largely for Italy, France and the United Kingdom. Including the \$34 million worth approved during the quarter under review, petroleum procurement authorized by ECA totaled one billion dollars. Deliveries, as shown by paid vouchers, were equivalent to 87 percent of authorizations. All of the \$275 million worth of coal authorized for purchase to date has been delivered and paid for.

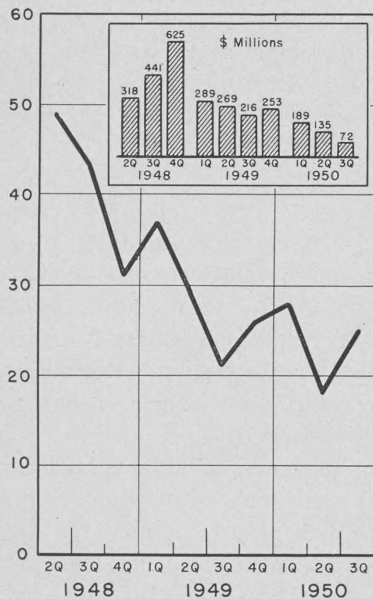
Raw Materials and Semifinished Products.—In the third quarter of 1950, purchases of raw materials and semifinished products valued at \$131 million were authorized by ECA. About two-thirds of the authorized amount was for cotton, with the United Kingdom and France as the principal recipients. Nonferrous metals comprised another 13 percent.

In two and one-half years of administering the European Recovery Program, ECA has approved the procurement of nearly three billion dollars worth of raw materials and semifinished products. The principal procurement items have been: raw cotton, \$1.1 billion; nonferrous metals, \$593 million; and iron and steel mill materials and products, \$272 million. As indicated by payments records, shipment was com-

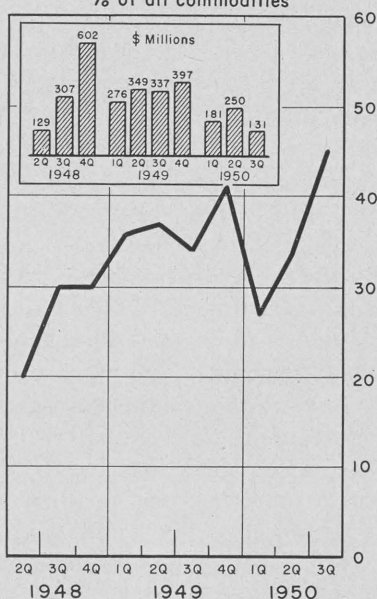
COMMODITY PROCUREMENT—Trends for major commodity groups.

Authorizations were substantially reduced for all commodity groups during the third quarter of 1950.

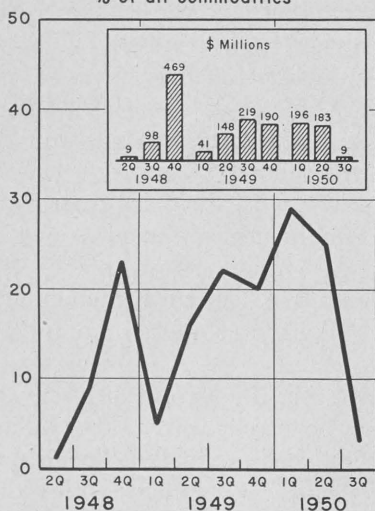
FOOD, FEED, & FERTILIZER % of all commodities



RAW MATERIALS & SEMIFINISHED PRODUCTS % of all commodities

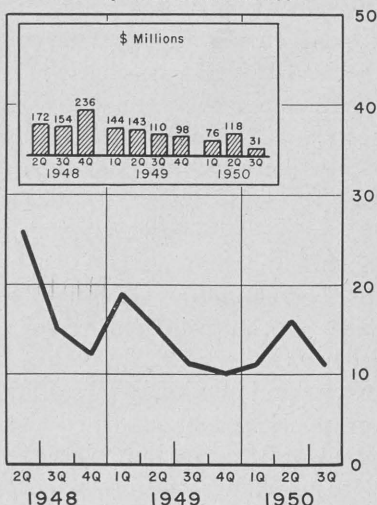


MACHINERY & VEHICLES % of all commodities



FUEL

% of all commodities





A shipload of steam shovels leaving New York City for England as a part of the aid program administered by the Economic Cooperation Administration.

pleted for 84 percent of the authorizations for all raw materials and products.

Machinery and Vehicles.—After five quarters of relatively substantial authorizations, approved procurement of machinery and vehicles

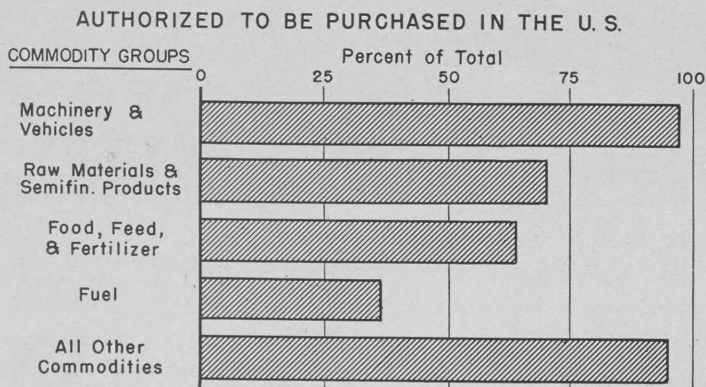
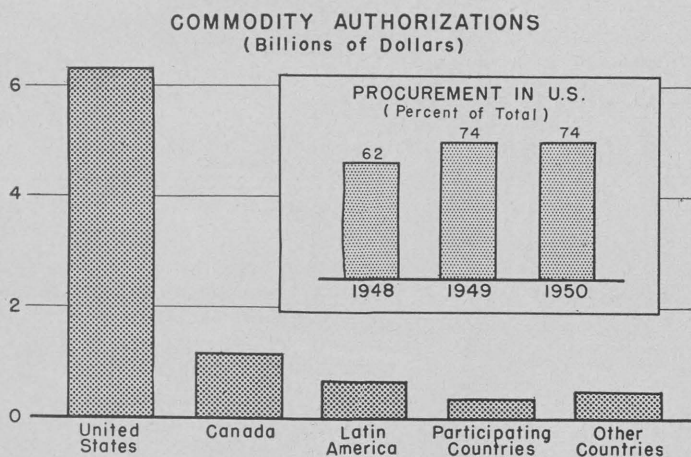
fell to \$9 million during the July-September quarter. By the end of September 1950, 62 percent of the \$1.6 billion in machinery and vehicles authorized had been shipped and paid for.

Sources of Supply

More than 69 percent of the commodity purchases approved by the Administration since the start of the program, were earmarked for shipment from the United States. Altogether, \$6.3 billion worth

ORIGIN OF SUPPLIES

The United States is supplying almost 70 percent of all commodities authorized by ECA through September 30, 1950.



of goods has been authorized for procurement in the United States, including \$3.3 billion of agricultural commodities and \$3 billion of industrial commodities. Grains, machinery, cotton and tobacco constitute the principal items authorized (appendix table B-3).

During the quarter, July-September 1950, 76 percent of the value of all commodity authorizations was earmarked for purchase in the United States.

Canada has been the largest offshore supplier, accounting for 13 percent of total commodity authorizations, followed by Latin America with 8 percent of all commodity authorizations.



Maintenance of Greek roads, hampered by a shortage of equipment, was helped by delivery of U. S. manufactured road graders purchased through ECA. Operators from all parts of Greece received an intensive short course in the handling of the machines with an American engineer serving as instructor.

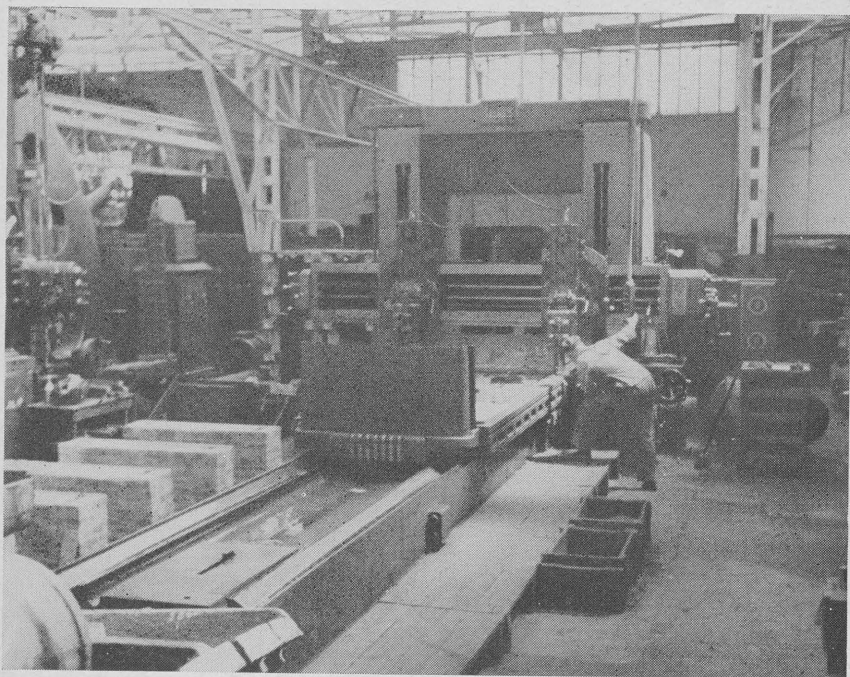
GARIOA Program

Following the establishment of the Federal Republic of Germany, the Department of the Army, which had been administering the GARIOA (Government and Relief in Occupied Areas) fund in Germany, transferred the unencumbered balance to ECA. In all, \$187.2 million was turned over to the Administration to be used for the procurement and shipment of food and agricultural commodities. Authorizations issued by ECA against this amount totaled \$181.2 million (appendix tables B-8 and B-9).

No GARIOA appropriation was approved for Germany for the current fiscal year. Therefore, no authorizations were issued against GARIOA funds after June 30, 1950. During the quarter, paid shipments against previous authorizations increased \$50.1 million to \$142.2 million. In accordance with Public Law 535 (Eighty-first Congress) a portion of the ECA funds allotted for assistance to Germany may be used for the rehabilitation of Germany (previously financed with GARIOA funds), including the furnishing of supplies needed to prevent starvation, disease and unrest.

INDUSTRIAL PROJECTS

With the need for a greater defense potential in Europe becoming increasingly clear, ECA assistance in the development and construction of industrial facilities assumed increased importance. By September 30, 1950, the Administration had approved 122 industrial projects in thirteen participating countries. These enterprises entail a total expenditure—in all currencies—of \$2.1 billion, towards which ECA has committed \$525 million, or about 25 percent. The bulk,



U. S. manufactured tooling machine furnished to Belgium under the European Recovery Program. An example of the ECA-financed equipment which is helping to improve industrial productivity in Western Europe.

62 percent, of these Marshall Plan fund commitments was for modernization and expansion of manufacturing facilities, largely steel, automotive and petroleum refining. Another 31 percent was earmarked for transportation, communications and power projects (appendix table B-11).

Quarterly Activity

During the third quarter of 1950, six new projects were approved which, together with supplemental amounts authorized for previously approved projects, involved ECA commitments of \$16 million and a total cost equivalent to \$102 million. Included were undertakings for iron and steel manufacture, petroleum refining, pulp and paper production, power and air transport.

Turkey.—The largest project approved during July–September provides for the construction of a key hydroelectric installation in northwest Anatolia, Turkey. A dam and power house with related transmission and transformation facilities will be built to serve Istanbul, Ankara and adjoining cities. This region is the most developed and densely populated area in Turkey and its steel mills and coal fields consume over two-thirds of the electrical energy produced in the country. The inadequacy of present generating capacity has necessitated restrictions on the use of electricity and has limited business expansion.

These installations, which will require about four years to complete, will increase capacity by 80 thousand kilowatts. Resultant savings in coal consumption, estimated at 275,000 metric tons per year, will increase the exportable fuel supply and improve Turkey's foreign exchange position correspondingly.

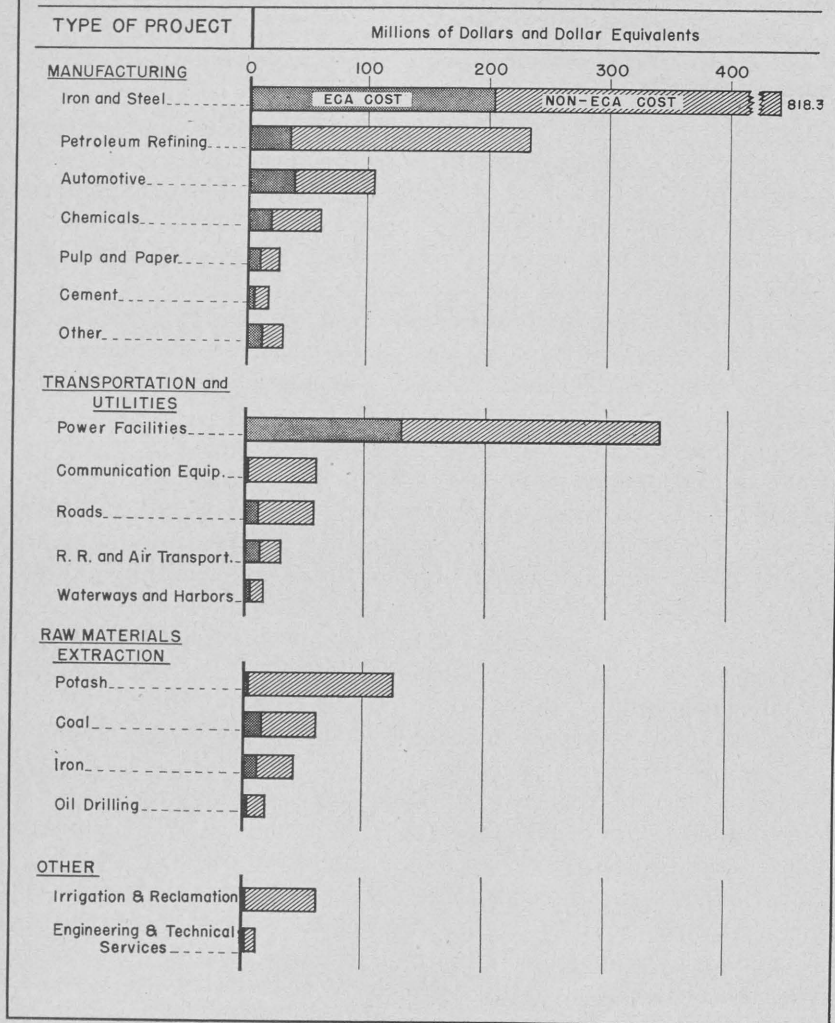
France.—Part of the cost of rebuilding and modernizing an oil refinery at Dunkirk will be met with ECA dollars. The Dunkirk refinery was virtually destroyed during the war and is being currently reconstructed. On completion, the refinery will process about 28,000 barrels of crude oil daily. All of the output—including lubricating oils, asphalts, gasoline, kerosene and fuel oils—will be sold in the French market, including the territories.

The second French project approved by ECA will furnish two transport aircraft, second-hand DC-4's, for a French airline operating between metropolitan France and her overseas territories. With the steady growth of air traffic, existing facilities have become inadequate. The planes with spare engines and parts, will be bought in the United States.

Germany.—A new refinery, the first for the Federal Republic since World War II, was approved during the quarter. The plant will be built in Lingen in the northwest near the Emsland fields, Germany's main oil producing area. Output of the refinery is projected at 600,000 metric tons per year and includes gasoline, diesel oil and coke.

INDUSTRIAL PROJECTS—Approvals through September 30, 1950

The Administration has committed \$525 million for use in 122 industrial projects involving a total cost equivalent to \$2.1 billion.



Italy.—Modernization of a steel plant at Rogoredo near Milan was approved during the quarter. The project provides for the purchase of American equipment to replace obsolete equipment, reduce operating costs and permit safer operation.

Austria.—Under an approved project, Austria's production of pulp and paper will be increased. An Austrian firm at Frantschach, the country's sole producer of sulphate pulp and paper, will purchase American machinery and expand its capacity. It is estimated that the mill's sulphate pulp production will increase from 18,000 to 24,000

metric tons per year and kraft or brown sulphate paper output will increase from 12,000 to 24,000 metric tons per year. As a result of this project, paper exports and foreign exchange earnings will be substantially increased.

INDUSTRIAL PROJECTS APPROVED BY ECA, JULY-SEPTEMBER 1950

Country and type of project	Number of projects	Total cost (millions of dollars and dollar equivalents)	ECA commitment (millions of dollars)
Total.....	6	102.5	16.3
Turkey.....	1	47.0	8.2
<i>Power</i>	1	47.0	8.2
France.....	2	38.5	4.4
<i>Petroleum refining</i>	1	38.1	4.0
<i>Aircraft and parts</i>	1	.4	.4
Germany.....	1	8.7	.7
<i>Petroleum refining</i>	1	8.7	.7
Italy.....	1	5.1	1.6
<i>Steel</i>	1	3.1	1.0
<i>Petroleum refining</i> ¹		2.0	.6
Austria.....	1	3.2	1.4
<i>Paper</i>	1	3.1	1.3
<i>Steel</i> ¹.....		.1	.1

¹ Includes value but not number of supplemental approvals.

DEVELOPMENT OF OVERSEAS TERRITORIES

During the quarter under review, ECA reexamined existing policies relating to the development of overseas territories of the European participating countries. It was determined that the ECA reserve fund for overseas territories would be used increasingly for projects which in addition to being of economic importance to the territories and Western Europe, are also of significance from the standpoint of positive contribution to rearmament and defense of the free world.

Two projects submitted by the United Kingdom were approved during the quarter for assistance from ECA's special reserve fund for overseas development—to augment electric power facilities on the

island of Malta and to render urgently needed assistance to a locust control program for the protection of widely threatened crops in British East Africa and adjacent areas. Approval of these two projects raised cumulative commitments from the overseas development reserve to \$9.6 million as of September 30, 1950.

The Malta power project will cost the equivalent of \$4.5 million, of which \$2.3 million will be financed by an ECA grant. British and Maltese sources will provide the balance of the capital. ECA funds will pay for essential equipment obtainable only from American suppliers. When completed, the project will help to promote an expansion of local industries, make possible an increased supply of goods available for export and strengthen the military potential of this strategically important island. It is anticipated that the expansion of industry induced by the increased supply of electric power will aid local authorities materially in relieving the serious unemployment which has disrupted the island's economy for several years. There are indications that the approval of this project has already mitigated the political unrest generated by unemployment.

Overall costs for the locust control project will amount to the equivalent of \$54 million. Of the total, ECA funds amounting to \$179,000 will pay for 57 American trucks with specialized equipment. Control measures to be applied over a period of three years have been planned on an international scale by the United Kingdom, Italy and Saudi Arabia. If the locusts can be eradicated from their principal breeding areas in Saudi Arabia, and their movement throughout the Middle East prevented, crop losses which would otherwise be heavy will be reduced and agricultural resources will be more effectively safeguarded from the depredations of these pests.

Two technical assistance projects were authorized in this period for French overseas territories. One of these will permit a group of rural engineers from French African territories to make a 3-month study of United States techniques in water control and irrigation. Production of rice in the French African territories is inadequate for the needs of the population. In addition to low yields in comparison to the amount of land in cultivation, uncontrolled seasonal overflowing of rivers makes production variable on the plains. In the absence of proper irrigation and water control, large mountain areas have been deforested to secure increased land for cultivation.

The second technical assistance project will enable representatives of the French Ministry of Overseas Territories to study peanut production and processing in the United States. France's requirements for edible oils are supplied largely from peanuts produced in the territories. Increased peanut plantings are being sought to assure adequate oil supplies and reduce the necessity for metropolitan France to produce oil seeds. A program for the cultivation of 30,000 hectares of land for peanut production in French West Africa is now under

way. To assist in this development, French tropical agriculturalists are seeking to improve their knowledge of growing, drying and shelling peanuts. They also are interested in studying crop rotation and other methods of conserving soil for peanut production.

ECA-financed equipment and supplies are contributing extensively, particularly in French African territories, to the rehabilitation and development of railway and highway transportation, port rehabilitation, agricultural improvements, conservation, and a wide range of mineral and industrial projects vital to the North Atlantic rearmament program. For such projects, using a part of the program funds allocated to it directly by ECA, the French Government had committed \$280.4 million from the beginning of the ERP to September 30, 1950.

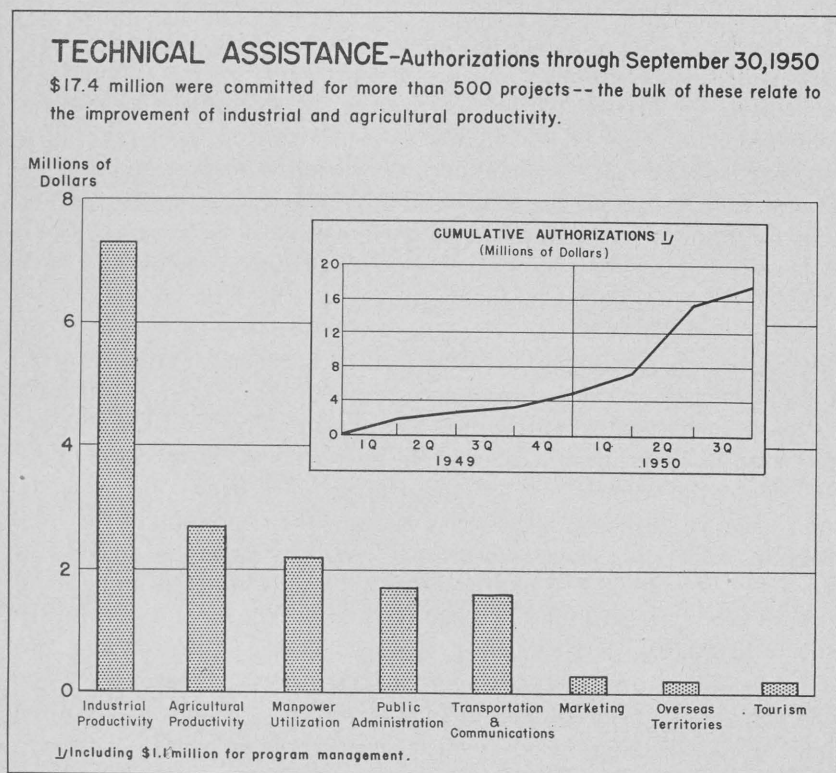
As in the past, France has continued to support the development of the overseas territories through approval of loans and grants from the 95-percent counterpart fund. Approximately 5.3 billion francs were released in the first quarter of the current fiscal year for economic development in Algeria, and 4 billion francs in Morocco. Counterpart funds used by France in her territories since the beginning of the ECA program were thus increased to 42.9 billion francs (equivalent to about \$122.5 million). These counterpart funds have been employed both to stimulate productive activity in general and to develop new sources of wealth, particularly in Algeria, Tunisia, Morocco and, to a lesser degree, in other French overseas territories. Projects to which such funds have been applied include irrigation, agricultural improvement, dam construction, electrification and survey work. Portugal, Belgium and the United Kingdom (except for one very small allocation) used financial resources other than their 95-percent counterpart funds for the development of their overseas territories during the quarter under review.

During the first three months of fiscal year 1950, ECA obligated \$2.5 million of appropriated funds and the equivalent of \$8.4 million in local currency from 5-percent counterpart funds to develop sources of strategic materials in the overseas territories. In this same period, ECA also committed the equivalent of \$940,500 in 5-percent counterpart funds for the purchase of strategic materials originating in the overseas territories.

TECHNICAL ASSISTANCE

Under ECA's technical assistance program, \$17.4 million had been committed by September 30, 1950 for more than 500 projects (appendix table B-10). From the start, the improvement of productivity has been of primary concern to the participating nations. Projects relating to the improvement of industrial and agricultural productivity have accounted for 42 and 15 percent, respectively, of all commit-

ments since the inception of the program. During the third quarter of 1950, two million dollars was committed for 44 projects.



Planning by Participating Countries

The temporary lull in project submissions during the first quarter of the new fiscal year was due to a shift in planning. For most of the participating countries the summer months were a period of review and the technical assistance program received considerable attention. The invasion of South Korea had emphasized the need for greatly increased armament production, which in turn will impose a severe strain on the resources of the participating countries. It was apparent, therefore, that aggressive action would have to be taken by the participating countries to increase the productivity of their existing resources, not only in the armament industry, but throughout their industrial and agricultural economies. It was to back up such an all-out productivity effort that the technical assistance program had been set up. Accordingly, the participating countries, which had been using technical assistance primarily as a spot service for individual productivity problems, gave more emphasis to comprehensive programs to gear technical assistance more closely to the other aid they are receiving under ECA. Early reports on these country programs

indicate that most of the participating countries envisage a considerable expansion of technical assistance activities in critical sectors of their economy.

Program Management

Operations during the third quarter, in terms of participating personnel, reached a peak level. The number of American experts abroad continued at about 300, and 752 Europeans—a record number—arrived for concentrated study trips in the United States. At the same time it became apparent that increased attention would have to be given to other means of transferring technical information: on-the-spot aid by qualified American production and managerial personnel to assist in overcoming specific European productivity problems, the display of United States products in Europe, the analysis of European products from a production and marketing standpoint, increased availability and wider use of technical and training films, and the dissemination of American technical and managerial literature. During the quarter, for example, it was decided to select a group of topflight engineers from the United States with wide management experience, to serve as roving consultants to interested European industries to assist them in identifying and isolating problems of prime importance in the field of productivity and in planning their attack on these problems.

In order to carry out this widening range of activities at the lowest possible cost and without sacrifice in the quality of the services offered, considerable use is being made of facilities available in other government agencies. In the quarter under discussion, functions relating to arrangements for ECA technical assistance were being carried out under contract by the Departments of Agriculture, Commerce, and Labor, the Bureau of the Budget, the Federal Communications Commission, and other agencies. Where government agencies were not able to provide the necessary service, the help of private organizations was enlisted. Thus, the Association of American Railroads undertook the management of a study trip in the United States for 82 European railway engineers and executives, and the National Management Council assumed responsibility for the direction of several projects involving special productivity training for French consulting and practicing engineers. Such subcontracting under appropriate supervision has proved to be effective and this procedure is expected to be used more extensively as the program continues.

Program Evaluation

During the quarter, the technical assistance staff began to evaluate the results of technical assistance activities to date. Outstanding successes appear to have been achieved by the British building, materials handling and steel founding teams. Regarding the last of

these, a sampling made some time ago of the British steel industry revealed that as a result of the findings of the steel founding team, one firm cut man-hours per ton of castings from 178 to 164; another firm increased its production of cores from 6 to 35 sets per man-hour; a third effected a 25 percent reduction of man-hours in several specialized departments.

Another immediate result of the team's recommendations concerned the industry as a whole. The British Steel Founders' Association, in an unprecedented step, set up a research and analysis division to assure that basic productivity research conducted by one member would be available to all.

Perhaps the greatest result has been the new spirit of cooperation between labor and management in this industry. Two productivity conventions under the auspices of the British Steel Founders' Association have been held to discuss the steel founding team's report. One of the sessions of the second convention was chaired by a representative of the trade union. As the British magazine *Scope* reported: "It was a rare experience to hear both sides of an industry speaking the same language. Both were determined to increase productivity for the advantage of all. Both were proud of improvements achieved, but refused to be complacent. The employers admitted that much remained for them to do and were satisfied that it would be done. . . . If only one-half of this country's industry showed the same intelligent approach and individual firms cooperate as the steel founders have, what a transformation there would be in our national fortune."

Results stemming from the technical assistance rendered to groups from other countries have been noted. Following a German study of cattle-breeding practices in the United States, a number of centrally located artificial insemination associations, farmer-owned and -operated, are being established in Western Germany. One of the most encouraging results of an agricultural technical assistance project occurred in Italy, where the Government decided to establish an office for agricultural extension work and appointed a recent participant in a technical assistance extension work project as its head.

In France the productivity center has reported "measurable increases" in the productivity of the gray iron foundry, heavy electrical equipment, and shoe manufacturing industries as a result of team visits to the United States. Even more significant than the developments in individual industries, is the overall role of the productivity teams in France where general productivity consciousness developed much more slowly than in the United Kingdom. After a slow start, however, France has now become one of the most active of all the participating countries. It also has one of the most balanced programs. Among the 25 French productivity teams that have visited the United States, industry, labor and agriculture are about

equally represented. Members of these teams have been a potent force on their return in their advocacy of modern American technological ideas and practices.

Even though no systematic evaluation of the results achieved by the program has been carried out (because it takes some months before a technical assistance mission shows tangible results), one immediate conclusion stands out; namely, that the program is strongest where it is carried out through an established body of the participating country (e. g., the United Kingdom Section of the Anglo-American Council on Productivity). National productivity centers are performing this coordinating function to a gradually increasing extent in some of the participating countries. Such centers have now been established in Austria, Belgium, Denmark, France, Germany and the Netherlands. To strengthen these centers by increasing their active participation in the technical assistance program continues to be one of the main aims of ECA policy in using technical assistance to increase industrial productivity.

INVESTMENT GUARANTIES

Industrial Guaranties

Under the governing legislation, ECA has issued 23 contracts guaranteeing to American investors the conversion into dollars of foreign currency receipts from new investments in the participating countries. The aggregate value of these contracts amounts to over \$23 million. Issuances during the July-September quarter totaled \$759,000 and consisted of a new contract with Parke, Davis & Company for \$735,000 and an amendment to a previous contract with the Dow Corning Corporation.

The Parke, Davis guaranty contract stems from an investment by this company in a new plant near London, to be erected and equipped for the manufacture of pharmaceuticals, principally chloromycetin. Chloromycetin has not been produced heretofore in quantity in the United Kingdom, and the project is expected to increase the present inadequate domestic supply. In addition, it will create exports from the United Kingdom to Europe, South Africa and the Near East.

The amendment to the Dow Corning contract increases the amount of the original guaranty by \$24,000 to cover earnings from special techniques and processes contributed by Dow Corning to its partly owned subsidiary, recently established in France for manufacturing electrical insulating materials of the silicone type.

No disbursements were made through September 30, 1950, pursuant to industrial guaranty contracts issued since the inception of the program and over \$217,000 in fees were collected.

During the third quarter of 1950, policy and procedure for issuing guaranties against loss from expropriation or confiscation were under

discussion. Such guaranties are provided for under the amended Act. The problems involved in the issuance of such guaranties are many and complex, and have required extensive consultation with financial experts.

Informational Media Guaranties

Since the start of the program, informational media guaranty contracts totaling over \$7.4 million have been signed, \$1.1 million in the third quarter of 1950.

The largest part of the quarter's activity was concentrated in Germany (\$812,482) and covered the distribution of feature-length and short films; technical, news, and feature magazines; scientific, technical, and pocket-type books; and a trade newspaper. Guaranty contracts aggregating \$105,400 were issued for the distribution of technical and feature magazines, and scientific and pocket-type books in the Netherlands; scientific, technical, and pocket-type books in France (\$60,000); documentary films, and news and feature magazines in Norway (\$38,330); feature magazines, and scientific and educational books in Austria (\$34,500); and a feature magazine in Italy (\$1,830).

On September 30, 1950, guaranties valued at about \$1.2 million were under consideration. Additional applications in substantial amounts were expected to be received shortly for the extension into 1951 of existing contracts in various countries.

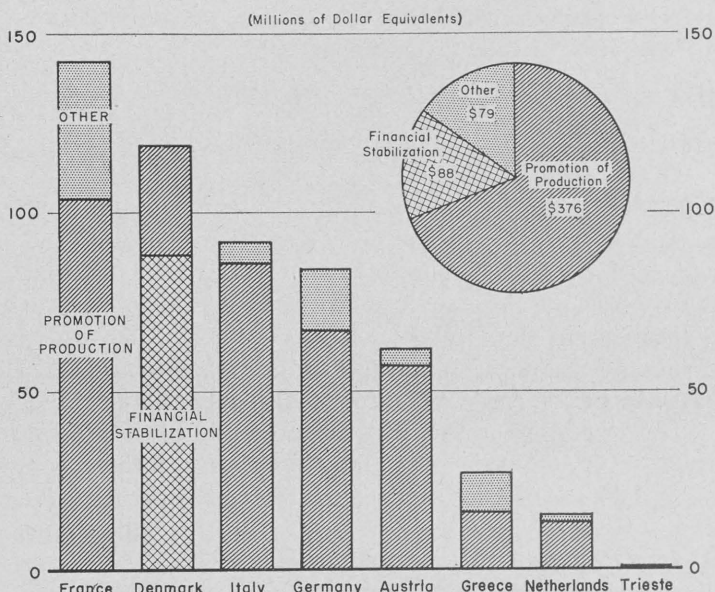
LOCAL CURRENCY COUNTERPART FUNDS

During the third quarter of 1950, the ERP countries deposited the equivalent of \$733 million in their special local currency counterpart accounts, bringing the total amount of local currencies deposited to match grant aid furnished by the United States under the Marshall Plan to the equivalent of \$7.2 billion. In addition, the equivalent of \$605 million in local currencies has been deposited by Austria, France, Italy and Greece under the counterpart provisions of the Foreign Relief and Foreign Aid Programs (Public Laws 84 and 389, Eightieth Congress). These interim aid counterpart funds consist of balances which were unencumbered at the time ECA assumed responsibility for approving the utilization of these deposits, and amounts which were deposited since that date.

ECA approved the withdrawal of the equivalent of \$544 million in counterpart funds in the quarter under review, bringing the total released for use by participating countries since the start of the program to the equivalent of \$4.9 billion. As shown on the accompanying table, the bulk of this amount has been approved for financing investments in basic projects designed to stimulate production, with lesser amounts approved for financial stabilization, reconstruction and other economic recovery projects mutually agreed upon by ECA and the depositing country.

COUNTERPART FUND APPROVALS. . . July 1-Sept. 30, 1950

The equivalent of \$544 million was approved for withdrawal - 69% for the promotion of production, 16% for financial stabilization, and 15% for other purposes.



ECA APPROVALS FOR WITHDRAWALS OF COUNTERPART FUNDS¹ THROUGH SEPTEMBER 30, 1950

[Dollar equivalents of the local currency in millions of dollars]

Country	Total	Promotion of production	Financial stabilization	Other purposes
Total.....	4, 875. 2	2, 963. 0	1, 202. 3	709. 9
France.....	1, 977. 8	1, 705. 9	171. 4	100. 5
United Kingdom.....	787. 2	1. 2	784. 1	1. 9
Germany.....	645. 5	449. 0	-----	196. 5
Italy.....	458. 0	323. 8	-----	134. 2
Austria.....	359. 2	245. 5	85. 0	28. 7
Greece.....	256. 0	88. 7	-----	167. 3
Netherlands.....	178. 2	97. 4	-----	80. 8
Denmark.....	118. 8	30. 5	88. 3	-----
Norway.....	73. 5	-----	73. 5	-----
Trieste.....	18. 8	18. 8	-----	-----
Belgium-Luxembourg.....	2. 2	2. 2	-----	-----

¹ Includes funds deposited under Public Law 472 and unencumbered portion of counterpart fund deposits under Public Laws 84 and 389 for which ECA is responsible for approving utilization.

The status of European local currency counterpart funds is shown in appendix tables C-1 to C-5.

Over two-thirds of the funds released by ECA during the quarter were channeled into industrial and agricultural production, and about one-half of the remainder into projects such as housing reconstruction, special relief projects, and the stimulation of tourist trade. The balance was used for financial stabilization.

GARIOA Counterpart Funds

In addition to local currency counterpart funds deposited under the provisions of the Marshall Plan, deposits of local currency counterpart funds have been required from the Federal Republic of Germany to match aid furnished from GARIOA (Government and Relief in Occupied Areas) dollar appropriations. GARIOA dollar funds for Germany were appropriated in fiscal years 1947 through 1950 and were expended by the United States to provide such essentials as fuel, food and fertilizer, necessary to prevent disease and unrest.

On December 29, 1949, an Agreement on Economic Cooperation became effective between the United States and the Federal Republic of Germany. At about the same time, the balance of the uncommitted GARIOA dollar funds for fiscal year 1950, reserved for economic purposes in Germany, was turned over to ECA to administer as part of its overall program for Germany. Thus, ECA took over from the Department of the Army certain responsibilities in connection with the GARIOA local currency counterpart funds.

The use of GARIOA counterpart funds, now covered by the above bilateral agreement, differs from the use of Marshall Plan counterpart funds in that the United States has first call on all GARIOA counterpart. The United States High Commissioner for Germany, after consultation with ECA and the Department of State, draws upon these funds to meet administrative expenses, expenses of the reorientation and re-education program, and for other purposes. To the extent that counterpart funds are available in the GARIOA local currency account after being drawn upon by the United States High Commissioner whether for United States needs or for the benefit of Germany, the Government of the Federal Republic of Germany may, upon ECA approval, draw upon these funds for investment purposes in a manner similar to that governing the use of Marshall Plan counterpart funds.

Since December 1949, a total of 840 million Deutsche marks (equivalent to \$200 million) has been deposited in the GARIOA special account. Of the amount deposited, the equivalent of \$117 million was to match the dollar cost of ECA-administered GARIOA procurement, and \$83 million matched the dollar cost of grain and other commodities withdrawn from inventories previously acquired by the Army with GARIOA dollar funds.

Although no separate GARIOA funds for Germany were appropriated for the fiscal year 1951, ECA and the Department of State have agreed, pursuant to the provisions of section 114 (i) of the Economic Cooperation Act of 1948, as amended, that a portion of the counterpart funds due to be deposited by Germany to match ECA aid in the current year will be deposited in the GARIOA special account.

Through September 30, 1950 (and since the effective date of the bilateral agreement), the equivalent of \$85 million has been disbursed from the GARIOA counterpart account at the request of the United States for the following purposes: administrative expenses of HICOG (High Commissioner for Germany), the reorientation and re-education program, unemployment relief in Berlin, and loans to the Berlin Central Bank and to the German Government. The loans are to be repaid to the GARIOA special account.

Use by Participating Countries

During the quarter under review, ECA agreed to the use of counterpart funds in the following eight countries:

France.—ECA approved the withdrawal of 50.1 billion francs (equivalent to \$143 million) from the French counterpart funds account. Approvals during the quarter included 38.1 billion francs released to finance the following projects in the current French investment program:

	<i>Billions of French francs</i>
Electric power.....	12.7
Mining.....	8.0
Manufacturing and trade.....	8.0
Agriculture.....	4.9
Overseas territories.....	4.0
Miscellaneous.....	.5
Total.....	38.1

In addition, ECA approved the withdrawal of 12 billion francs to finance the construction of low-cost housing for industrial workers. Homes to be constructed with these funds will be located in areas where the lack of such facilities would otherwise hinder essential production. The housing shortage, arising out of the deficiency in construction and the damage to houses during the last war, has been one of the critical areas in the French economy. Since the beginning of the Marshall Plan, the equivalent of \$93 million of French counterpart funds has been released for housing purposes. The low-cost housing being financed in part with counterpart funds is an important segment of the French housing construction program.

Denmark.—ECA, in July, approved the first major withdrawal of Danish counterpart funds, amounting to 820 million kroner (equivalent to \$119 million). The largest part, 610 million kroner, was earmarked for debt retirement through the payment of occupation account claims of the Danish National Bank against the Government. The use of these funds for debt retirement makes permanent the anti-inflationary effects exerted by these funds which were allowed to accumulate in the counterpart account during the past two years. The immobilization of part of the money supply was a factor in attaining the present degree of internal financial stability in Denmark.

The balance of 210 million kroner was approved for investment purposes as follows:

	<i>Millions of Danish kroner</i>
Farm credit.....	70
Industry and commerce.....	50
Miscellaneous agricultural programs.....	35
Tourism.....	15
Technical assistance.....	10
Fishing and fish processing.....	10
Merchant and fishing fleet.....	10
Development of the Faroe Islands.....	10
Total.....	210

Italy.—ECA agreed to the withdrawal of 58 billion lire (equivalent to \$92.2 million) of Italian counterpart funds during the quarter. About half of this amount was from the counterpart funds deposited under the Marshall Plan and the balance from deposits under the provisions of Public Laws 84 and 389 of the Eightieth Congress.

Releases of Marshall Plan counterpart funds during the quarter totaled 28.7 billion lire.

	<i>Billions of Italian lire</i>
Loans to—	
Industrialize and improve southern Italy...	10. 0
Assist small business firms.....	10. 0
Grants to projects for—	
Public works.....	4. 0
Agriculture.....	3. 7
Postal and communications facilities.....	1. 0
Total.....	28. 7

The interim aid counterpart funds were released to finance both public and private projects designed to further industrial and agricultural production.



View of Gela Dam, Sicily. Reclamation project for 67,000 hectares of agricultural land for which ERP local currency counterpart funds have been allocated.

Germany.—The bulk of the 352 million Deutsche marks (equivalent to \$84.4 million) released from German counterpart funds by ECA during the quarter was earmarked for financing manufacturing, farming, power facilities and other projects designed to stimulate production. The balance was allocated to finance housing construction for workers, to promote tourism and to pay the inland transportation costs of relief package shipments.

Illustrative of the results achieved partly through the use of Marshall Plan counterpart funds was the demonstration during the quarter that West Berlin has been made practically independent of electricity generated in the Soviet zone.

On July 1, the Soviet military authorities cut off the western sector of the city for one month from electricity generated in the Soviet zone. Two years ago, a similar move resulted in a drastic curtailment of power for the American, British and French sectors of Berlin, lowering the morale of the 2.5 million residents in these areas. This time, however, the BEWAG (Berliner Elektrizitätswerk Aktiengesellschaft) power station, rebuilt in part with counterpart funds, was able to provide sufficient electric power for lighting and other necessities. The electricity flowing from this rebuilt plant not only defeated the Russian move to destroy the morale of the people of

West Berlin, but also gave them renewed confidence in their ability to rebuild their crippled city.

Austria.—During the third quarter, ECA approved the withdrawal of 1,225 million schillings (equivalent to \$62.6 million) from the Austrian local currency counterpart funds account—bringing the total released since January 1, 1950, to 2,182 million schillings. Funds released during the quarter were earmarked for use as follows:

	<i>Millions of Austrian schillings</i>
Communications and utilities.....	460
Manufacturing.....	391
Agriculture and forestry.....	183
Tourism.....	79
Mining.....	35
Export trade promotion.....	25
Miscellaneous.....	52
 Total.....	 1,225

Among the industries receiving allocations for use in the promotion of manufacturing were iron and steel, paper and pulp, textiles, chemicals, nonferrous metals, woodworking and electrical machinery. More than half of the 460 million schillings allocated to communications and utilities was to finance electric power production; about 30 percent was used for the railroads; and the balance was channeled into other communications facilities, roads and bridges.

The 25 million schillings for export trade were released for the purpose of setting up a special Austrian export fund from which short-term loans will be made to small manufacturing firms. The credits granted will cover outlays for raw material or equipment until the firms receive foreign exchange payments for finished goods exports.

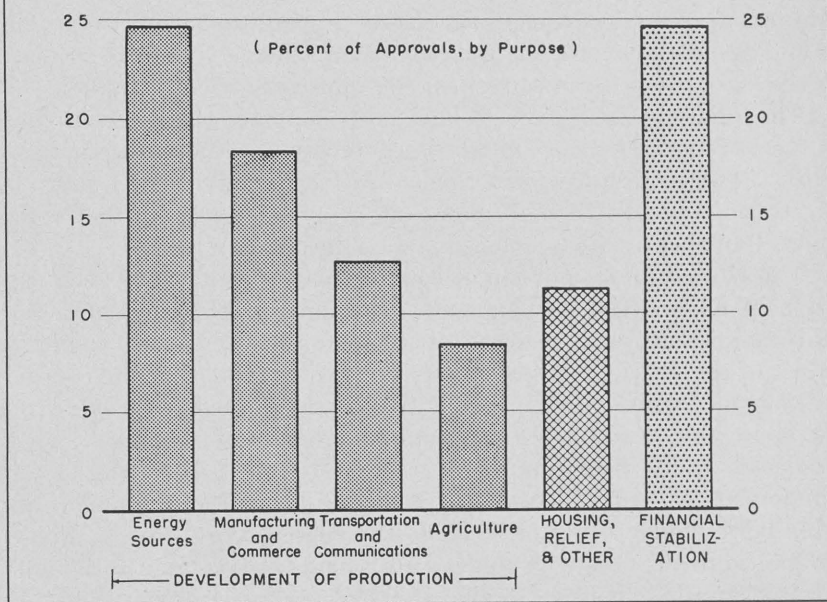
Greece.—ECA released a total of 400 billion drachmas from the Greek local currency counterpart funds account principally for use in reconstruction and development projects. An important item in these approvals was the financing of an emergency program for housing refugees. Most of the construction financed with these funds was in mountain villages where refugees of the guerilla war had settled.

In addition to the funds for housing and other care for refugees, Greek counterpart funds were approved during the quarter for roads and other transportation facilities, manufacturing industries, agriculture and mining.

Netherlands.—During the quarter, ECA approved the withdrawal of 58 million guilders (equivalent to \$15.3 million) from the Netherlands counterpart funds account. This increased the total utilization to 574 million guilders, as of September 30.

USE OF COUNTERPART FUNDS—Through September 30, 1950

\$4.9 billion in local currency counterpart funds have been released for the ERP countries— almost two-thirds for the development of production.



The Netherlands counterpart funds released during the quarter were earmarked for the following projects:

	Millions of Dutch guilders
Land reclamation.....	20.0
Research and extension service work.....	12.0
Other agricultural projects.....	18.0
Hotel construction.....	7.0
Technical assistance.....	.5
Other tourism development.....	.5
Total.....	58.0

Trieste.—Counterpart releases approved by ECA during the quarter totaled 736 million lire (equivalent to \$1.2 million). Practically all of the funds released during the quarter will be invested in the merchant fleet and shipbuilding industries, which are the mainstays of the economic life of the Free Territory of Trieste. A small amount (7 million lire) was released for the purpose of financing the development of drug and chemical production facilities.

United States Portion of Counterpart Deposits (5% Account)

As of September 30 the equivalent of \$309 million of local currency counterpart funds had been reserved for use by the United States.¹ Of these funds, the equivalent of \$121 million had been expended by ECA or transferred to the United States Treasury for use by other United States Government agencies. In addition there were outstanding, at the end of the quarter, commitments for strategic materials amounting to the equivalent of approximately \$30 million.

The funds obligated by ECA have been employed largely to purchase materials needed for the United States stockpile. Materials purchased with 5-percent counterpart funds have included rubber, sisal, industrial diamonds, bauxite, palm oil, graphite, platinum and sperm oil—all of them vital to defense preparedness.

The United States portion of counterpart funds has also been used to help finance the development of sources of strategic materials, particularly in the overseas territories of participating countries. Most of the development contracts call for repayment of the counterpart financing costs in future deliveries to the United States stockpile of aluminum, lead, zinc, cadmium, diamonds and chrome. These projects include the use of £3.3 million sterling (equivalent to \$9.2 million at the current rate) for financing bauxite development and alumina manufacturing facilities in the British West Indies; French francs equivalent to \$5.5 million are being used to finance the modernization and expansion of zinc and lead producing mines in eastern French Morocco, while another project involving the equivalent of \$1.8 million in French counterpart will develop sources of industrial diamonds in French Equatorial Africa; Italian lire equivalent to \$1.5 million will help finance the construction of an electrolytic zinc plant in northern Italy. In addition to contributing material to the United States stockpile, these projects will assist in meeting the civilian and military requirements of Western European countries for these scarce materials.

Other ECA outlays from the counterpart funds reserved for the United States have covered ECA administrative expenses payable in local currencies, informational projects designed to support Marshall Plan objectives and other special needs. After adequate provision has been made for ECA commitments payable in local currencies, counterpart funds reserved for the United States are made available for use by other United States Government agencies. For this purpose, ECA transferred the equivalent of \$4.3 million of local currency counterpart funds to the United States Treasury during the quarter,

¹ Local currencies reserved for use by the United States are at least five percent of local currencies deposited as counterpart to Marshall Plan aid. However, the "adjusted dollar equivalent" of the United States portion is less than five percent of the total aid against which deposits have been made because of currency revaluations.

bringing the total of such transfers since the inception of the Marshall Plan to the equivalent of over \$30 million.

MUTUAL DEFENSE ASSISTANCE PROGRAM

During the quarter under review, ECA participated actively in estimating requirements for the Mutual Defense Assistance Program for fiscal year 1951, and in the Congressional presentation of the program. On July 26, an amendment to the Mutual Defense Assistance Act of 1949 was approved, which made several substantive changes in the basic legislation and also authorized the expenditure of \$1,250 million to continue the program during the current fiscal year. The General Appropriation Act of 1951 (Public Law 759, Eighty-first Congress), approved on September 6, 1950, appropriated the amount previously authorized.

The invasion of Korea removed all doubts concerning the motives of the world Communist movement, and the ends to which the Communist leaders were prepared to go to achieve their purposes. Immediately following this act of wanton aggression, the North Atlantic Treaty countries, including the United States, reassessed the timing and scope of their defense efforts. In early August, all North Atlantic Treaty members submitted to the Council of Deputies their plans for a greatly enlarged defense program, expressed in terms of mobilizing additional forces and launching substantial additional military production. To enable the United States to support such an effort, and to provide military assistance to other critical areas, the Departments of Defense and State, and ECA requested supplemental MDAP funds of \$4 billion for the fiscal year 1951. This amount was appropriated on September 27 (Public Law 843, Eighty-first Congress).

Of the total appropriation for MDAP for the current fiscal year, it is estimated that \$475 million will be utilized to assist the countries of Western Europe in expanding their own defense production. A major portion of these funds will be utilized in furnishing materials, components and production equipment for additional military production programs abroad. Since this type of aid is closely related to the economic assistance furnished under the regular ECA program, and since it is the aim of the United States to foster military strength in the free countries of the world without jeopardizing their basic economic strength, ECA has been active in determining the requirements for this segment of the Mutual Defense Assistance Program.

During the quarter under review, \$7.9 million dollars of grant aid was authorized for additional production projects submitted by North Atlantic Treaty countries during the fiscal year 1950. The amount thus committed since the inception of the program totaled \$21 million.

During September, preliminary negotiations were held with the Government of the United Kingdom for the purpose of reaching agreement on overall aid requirements for the first installment of a greatly enlarged British rearmament program. ECA participated in these discussions, and will take part in similar discussions with other NATO countries. This agency has assumed primary responsibility for assessing the increased economic needs implicit in the general rearmament effort of Western Europe.

CHAPTER III

Special Programs Affecting The United States

STRATEGIC MATERIALS PROGRAM

WORLD events in recent months have not only increased the demand for strategic materials in the United States, but have brought renewed pressures for these same materials in Western Europe. As a consequence of this intensified competition, ECA emphasis on strategic materials acquisition in certain of the participating countries is being placed increasingly on projects designed to develop new sources of supply, or to increase the output from properties already in operation.

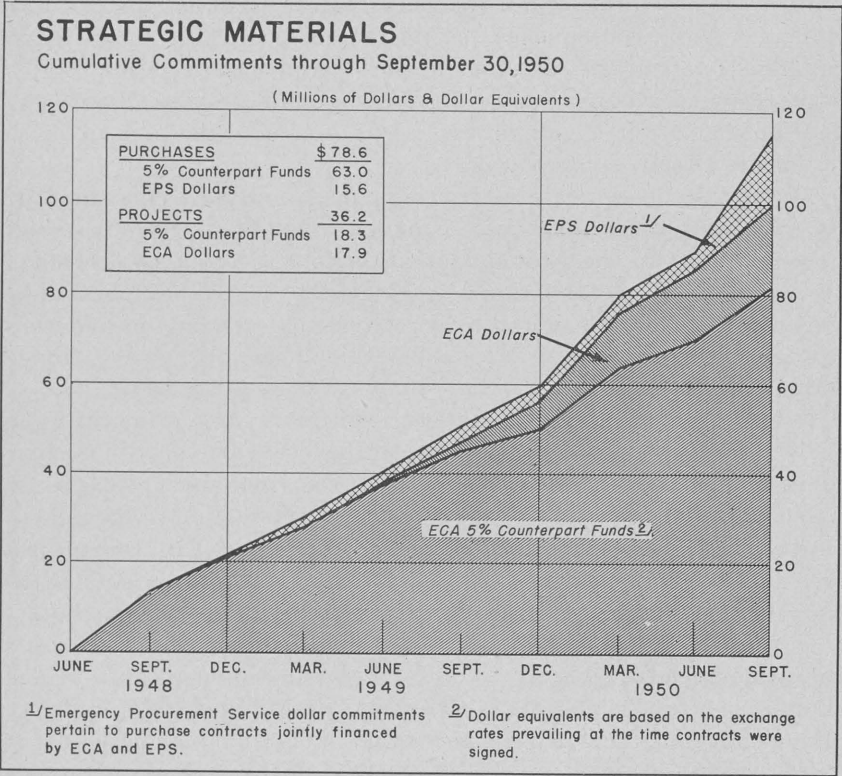
As a result of purchase and development contracts concluded by ECA thus far, approximately \$97 million worth of strategic materials is being added to the United States stockpile. About two-thirds of this amount represents materials acquired by direct purchase; the remainder is expected to accrue as repayments are made in materials for funds advanced by ECA for the development of new or expanded sources of supply.

Funds to finance strategic materials contracts come primarily from the United States portion (5 percent) of the local currency counterpart funds deposited to match grant aid received from the United States under the European Recovery Program. These funds have been used for all direct purchases and for more than half the project development costs financed by ECA to date. The total committed since the beginning of the program was equivalent to \$81.3 million.

In addition, \$17.9 million has been committed over the same period from the special ECA reserve fund, for the development of increased supplies of strategic materials. These dollars will provide equipment, and engineering and geological services unobtainable in nondollar areas. Many of these projects are located in the overseas territories of the participating countries.

The Emergency Procurement Service of the General Services Administration has made dollars available to overcome the limitations of ECA 5-percent counterpart funds on purchase contracts. As of September 30, \$15.6 million has been provided by the Emergency Procurement Service for purchases financed in part with counterpart funds, usually for dollar transportation costs.

Almost three-fifths of the total funds committed by ECA for strategic materials purchases and projects concerns the United Kingdom. France, the Netherlands and Italy account for the bulk of the remainder. Possibilities for strategic materials purchases and projects have been limited in many of the participating countries. In Greece and Austria, for instance, there is a paucity both of surplus strategic materials for purchase and promising reserves for development. However, there may be some opportunity to use the facilities of Austria for processing materials purchased in other participating countries. The processing and transportation costs would be paid from 5-percent counterpart funds. In Belgium and Sweden no counterpart funds were available for strategic materials commitments, and in Portugal these funds were limited.



Projects

During the quarter under review, several development contracts were approved calling for ECA advances totaling \$2.5 million from appropriated funds and the equivalent of \$9.9 million in 5-percent counterpart funds. These funds will be used to purchase equipment and to defray part of the costs on development projects as well as for

prospecting and exploration. These contracts increased the total committed by ECA for strategic materials projects as of the end of September 1950 to \$17.9 million from the ECA reserve and the equivalent of \$18.3 million in 5-percent counterpart funds.

All of the ECA dollars committed during the quarter and the equivalent of \$4.2 million in sterling 5-percent counterpart funds will be used by Jamaica Bauxites, Ltd., for the construction of an alumina plant on the island of Jamaica and for related mining and transportation facilities. Repayment of the funds advanced, plus four percent interest, will be made in the form of aluminum metal for the United States stockpile.

Another contract, signed during the quarter with the Rhodesian Copper Ventures, Ltd., calls for an ECA advance of sterling 5-percent counterpart funds equivalent to \$210,000 for the exploration and development of the company's copper properties near Sinoia, in Southern Rhodesia. Repayment of the ECA advance plus interest will be made in copper to the United States stockpile.

A supplemental contract was signed with Société des Mines de Zellidja providing for an ECA advance equivalent to \$4 million from French 5-percent counterpart funds. This advance will assist in modernizing and expanding plant capacity at the Zellidja zinc-lead properties at Bou Beker, French Morocco. Repayment of the advance will be made in zinc for the United States stockpile. Under the original contract, approved in December 1949, 3.6 million ECA dollars were committed for this project.

A fourth contract of the project type, signed during the quarter with Società Per Azioni Piombo E Zinco provides for an ECA advance in Italian lire equivalent to \$1.5 million from 5-percent counterpart funds to help finance the construction of an electrolytic zinc plant at Nossa in northern Italy. Repayment will be in the form of zinc or lead metal at the option of the Emergency Procurement Service.

In the foregoing contracts, as with most of the strategic materials projects for which ECA funds have been committed, the companies receiving the advances are expending considerable additional funds of their own in developing the properties concerned.

Approximately half of the funds committed for strategic materials projects to date has concerned the development of bauxite to increase stockpile supplies of readily available aluminum. Lead and zinc ores have accounted for an additional 30 percent; industrial diamonds, tin and general mineral surveys have figured importantly in the remainder.

Purchases

In addition to contracting for additional supplies of aluminum, copper and lead by financing facilities expansions, during the July-September quarter ECA committed the equivalent of \$1.7 million in

5-percent counterpart funds for direct purchases of strategic materials.

Of this amount, the equivalent of \$940,500 in Netherlands guilders will provide the United States stockpile with 100,000 carats of industrial diamonds and 200,000 ounces of quinidine. The remainder, in French francs equivalent to \$745,700 was committed for transportation costs for a strategic materials purchase financed by the Emergency Procurement Service with dollars.

With these transactions, the equivalent of \$63 million in 5-percent counterpart funds had been committed by ECA for the direct purchase of strategic materials as of September 30, 1950.

A summary of commitments for the direct purchase of strategic materials by type of commodity, is given in the accompanying table. Where EPS dollars are employed in a joint purchase with counterpart funds, they are included in the commitment figures.

COMMITMENTS FOR STRATEGIC MATERIALS PURCHASES, AS OF SEPTEMBER 30, 1950

Commodity	Value (dollar equivalent in thousands) ¹
Total.....	78, 627
Rubber.....	27, 606
Ferromanganese.....	12, 746
Sisal.....	7, 112
Industrial diamonds.....	5, 974
Bauxite.....	4, 500
Palm oil.....	4, 148
Graphite.....	3, 865
Platinum.....	3, 064
Lead.....	1, 268
Quinidine.....	843
Sperm oil.....	806
Cryolite.....	525
Fluorspar.....	304
Miscellaneous.....	5, 866

¹ Dollar equivalents are based on the exchange rates prevailing at the time contracts were signed.

ECA AND SMALL BUSINESS

The Economic Cooperation Administration implemented and expanded its services to small enterprises in the United States during the third quarter by (1) enlarging its Field Counseling Service in the United States; (2) obtaining the services of Small Business Officers at each ECA mission in Marshall Plan countries; (3) inaugurating a new trans-Atlantic licensing program to help small business engage in foreign commerce without manufacturing for export; (4) establishing

a Field Counseling Service in Western Europe to carry out the licensing program; (5) increasing the flow of trade information to the United States; (6) distributing in Western Europe the *Directory of U. S. Companies*, compiled pursuant to section 112 (i) of the Foreign Assistance Act of 1948, as amended; (7) preparing additional trade manuals and directories of importers in Western Europe and distributing them to American small enterprises; and (8) arranging for the compilation of manuals describing investment opportunities in Marshall Plan countries, and distributing them to small business organizations in the United States.

United States Field Counselors.—The number of Field Counselors in the United States was increased during the quarter from about 500 to 675, with locations in 334 cities. More adequate representation was thereby secured in many States. These officials, operating on a volunteer basis without compensation, disseminate information to small business enterprises on opportunities for export to Marshall Plan countries, assist small firms in evaluating export possibilities and licensing opportunities in Western Europe, and help them when problems are encountered in exporting under ECA financing.

Mission Small Business Officers.—To provide greater assistance to American small business by supplying procurement information and expediting such matters as the issuance of import licenses and adjustment of complaints, ECA called a conference of the Small Business Officers of each mission early in July at Paris, during which the duties and responsibilities of these officers and all phases of the program were discussed. Thus, the groundwork in Western Europe was laid for the increased assistance to American small business that was to follow during the quarter.

Trans-Atlantic Licensing Program.—To encourage and permit increased participation of American private enterprise in European industry, the Congress broadened Government protection to such investments in Europe, through the Foreign Economic Assistance Act of 1950. Under the new legislation, American businessmen who license manufacturers in Marshall Plan countries to use their industrial techniques, patents or processes can obtain guaranties of convertibility into dollars of foreign currency earnings from such licenses.

In order to assist American small enterprises to participate in this activity, ECA undertook a new trans-Atlantic licensing program. The program is designed to help such firms market their products abroad by licensing their patents, processes or techniques in Western Europe.

"Contact clearing houses" were established in Washington and Paris, to bring together American and Western European companies interested in exploring possible licensing arrangements. Registration forms were distributed to American firms to enable them to designate the types of intangible investments they desired to make. The

completed forms were transmitted to the Office of the Special Representative in Paris for dispersal to European firms interested in obtaining licenses to manufacture American products in their countries.

Pamphlets were being prepared, both for American and European distribution, describing the licensing program in detail, the profit opportunities presented by it, the function and operation of the licensing service and the steps to be taken by interested companies.

The licensing program was designed solely to effect a contact between interested American and European companies. Actual negotiations will be carried out privately by the firms involved. Applications for the guaranty of convertibility will be made to the Industrial Guaranties Branch of ECA's Industry Division before licensing arrangements are concluded. Guaranties will be issued only when ECA and the country in question agree that the project will further the purposes of the overall program.

European Field Counseling Service.—ECA arranged during the third quarter for a Field Counseling Service in Western Europe to assist American firms interested in the licensing program. The European Field Counselors, recruited from business service organizations similar to those in the United States, will locate European businesses in their areas most likely to be interested in the specific licensing proposals made by American firms. This service, in addition to helping American manufacturers will also assist local manufacturers to increase industrial productivity.

The European counselors will also collect proposals from manufacturers in their areas seeking to be licensed by American industry. These will be transmitted through the clearing house at Paris to Washington and to the field counselors in the United States, who will attempt to put them in touch with interested American firms. It is believed that this two-way flow of licensing proposals will stimulate a greater movement of American techniques, patents and processes to Western Europe.

Considerable progress was made during the third quarter in selecting representatives to serve as field counselors in the participating countries. Others are under consideration for selection. When the quarter ended, field counseling services were available or were in the process of being established in Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Sweden and the United Kingdom.

Trade Information.—The volume of advance procurement information from Western Europe to the United States increased during the quarter. Small business officers in the missions were forwarding procurement data based on import licenses applied for or issued by the respective European governments. This trade information was

disseminated through field counselors in the United States, the field offices of the Department of Commerce, and direct to more than 6,000 small suppliers on the ECA mailing list.

Seventy-six *Small Business Circulars*, carrying advance information on specific commodities sought by ECA countries, were released during the quarter. A new series, a *Memo for Small Business*, was started on July 14. Each issue contains considerable background and other information designed to be of assistance to small enterprises. Nine *Memos* were issued by the end of the quarter.

A revision of the mailing list maintained by ECA was undertaken in order to make the information issued more useful to recipients. Addressees were asked to indicate their special interest in one or more of five commodity categories: (1) food, feed and fertilizer; (2) fuel; (3) raw materials and semifinished products; (4) machinery and vehicles; and (5) miscellaneous and unclassified products (tobacco, rubber products, etc.). The new mailing list will provide recipients with only such *Small Business Circulars* as relate specifically to products in which they are interested.

Directory of United States Companies.—The English edition of the *Directory of United States Companies*, compiled pursuant to section 112 (i) of the Foreign Assistance Act of 1948, as amended, listing the names of 15,000 small suppliers—manufacturers and agents, was published during the quarter for overseas distribution. The *Directory* has been widely publicized in European newspapers and trade magazines, with the result that the ECA missions have received many requests for copies. More than 15,000 copies will be distributed in the United Kingdom alone—to importers, manufacturers, retail stores, banks, government departments and service organizations. The *Directory* has also been received enthusiastically in France, the Netherlands and Austria. Meeting a long-felt need, this volume will bring to the attention of European importers a host of less well-known but nevertheless dependable American suppliers, offering a wide variety of goods and services. French, German and Italian editions of the *Directory* are being printed.

Trade Manuals.—Trade Manuals, containing practical information for small businessmen interested in entering foreign markets, were completed by the Italian, Greek, French and Belgian small business offices. In all other missions, drafts were being prepared and edited for early submission to printers. These manuals are devised to give the small businessman a clear idea of trade opportunities and practices in the participating countries, and to enable him to arrive at informed conclusions before entering into negotiations with an individual company. Printing costs are being paid with counterpart funds.

Directories of Importers.—Directories of importers purchasing from

the United States were completed for nine participating countries. In some instances, these lists of importers were published in a single volume with the trade manuals. Directories for the remaining countries were nearing completion. The directories, arranged alphabetically or by the ECA commodity code classification, give the names and addresses of importers and manufacturers, or manufacturers' representatives, who are actual or potential traders with the United States.

Investment Manuals.—Two investment manuals, describing investment conditions in Italy and Scotland, were distributed in the United States. Similar booklets are being prepared for France, Ireland, the Netherlands, Austria, Belgium, and several other countries.

Small Business Clinics.—During the quarter, representatives of the Office of Small Business participated in small business clinics in the United States, in cooperation with the Departments of Defense and Commerce, the General Services Administration and the Reconstruction Finance Corporation. These meetings, some sponsored by the Senate Select Committee on Small Business, and others by individual Senators, Congressmen or private groups, were held to acquaint small business with ECA-financed export opportunities and with government procurement and financing programs of other Federal agencies.

Payments to Small Business

Results of the third two-month study of ECA payments, for May-June, 1950, indicate that small business is receiving a consistently favorable share of Marshall Plan procurement. Of the \$422.5 million in ECA payments during these two months for shipments from the United States, \$107.1 million, or 25 percent, went to manufacturers; the remaining 75 percent went to agents, brokers and others.

Small companies—those with less than 500 employees—secured 20 percent of direct payments to manufacturers in May-June, 1950, about the same proportion as in May-June, 1949, and only slightly less than in November-December, 1949.

The three studies of ECA payments indicate that out of a total of \$1.2 billion in ECA payments, \$325 million (or 26 percent) went to manufacturers, \$889 million (or 72 percent) to nonmanufacturers, and \$31 million (2 percent) to firms not classified.

Small business obtained \$65 million or exactly 20 percent of all payments to manufacturers. Payments to manufacturers by size of firm for the six months studied, May-June and November-December, 1949, and May-June, 1950, were as follows:

Size of firm	Total (millions of dollars)	Percent of total
Total.....	325	100
Under 500 employees.....	65	20
1-49.....	14	4
50-99.....	11	3
100-499.....	41	13
500 and over.....	260	80
500-999.....	29	9
1,000-9,999.....	104	32
10,000 and over.....	127	39

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

It should be pointed out that small business obtains a sizeable amount of ECA-financed business indirectly—through sales made by agents and other exporters, or through subcontracts from larger firms. The manufacturing companies included in the small business category—as defined in the study—were essentially those which sell abroad directly rather than through a broker. Since most small firms handle their export sales through brokers or agents, which were *excluded* from the “small business” category for the purposes of the study, ECA payments going to small firms have been substantially higher than the above figures suggest.

Many small companies are participating in Marshall Plan procurement through subcontracting—often without knowing it. A study was made of three large prime contracts involving \$6.6 million of ECA-financed industrial projects. The projects included (1) a manufacturer of steel mill processing equipment; (2) a manufacturer of boilers and boiler room equipment for thermal electric plants; and (3) a manufacturer of steam engines for electric generating plants.

In addition to the three large prime contractors, 216 *small* first-tier subcontractors obtained \$1.4 million worth of business, a little over 20 percent of the prime contracts.

Besides the first-tier subcontractors there were many second-tier subcontractors—300 on a single \$3 million prime contract. Data were not available on the extent to which firms in the latter group were small or large enterprises.

USE OF AMERICAN-FLAG VESSELS

Over 52 percent of all ECA-financed commodities reported shipped from the United States were moved in American-flag vessels in the 18 months ended September 30, 1950. During this period—which covers operations under the amended shipping provisions of the Economic Cooperation Act—the 50-percent American-flag tonnage requirement was also met separately for each of the three cargo categories. Fifty-two percent of both dry bulk and liner cargoes and nearly 54 percent of the relatively small volume of tanker shipments were transported by American-flag vessels.

Sufficient statistical data were not available to evaluate performance of the participating countries for the quarter ended September 30, 1950. It was apparent, however, that there were severe dislocations in the movement of cargoes from mid-July to almost the end of August due to the chartering by the Department of Defense of a substantial number of American-flag vessels and even some foreign flag vessels.

Inbound cargoes—strategic materials purchased with ECA 5-percent counterpart funds for stockpiling needs—more than met the 50-percent American-flag requirement of the amended ECA Act. During the 18 months ended September 30, 1950, 69 percent of the inbound bulk cargoes and 65 percent of the inbound liner cargoes, purchased under contracts made after April 2, 1949, arrived on American-flag vessels. There were no tanker shipments of strategic materials to the United States during the period.

COMMODITIES CONTROLLED BY STATUTE

Participating country requests for commodities declared surplus to domestic needs by the Secretary of Agriculture were, in nearly all instances, filled from United States sources. Government stocks, accumulated under price support programs, are utilized at the discretion of the Secretary of Agriculture. Through September 30, about \$120 million worth of peanuts, flaxseed, and other items (see table following) have been authorized for purchase from Government stocks. Procurement of surplus commodities from commercial sources amounted to \$2.9 billion.

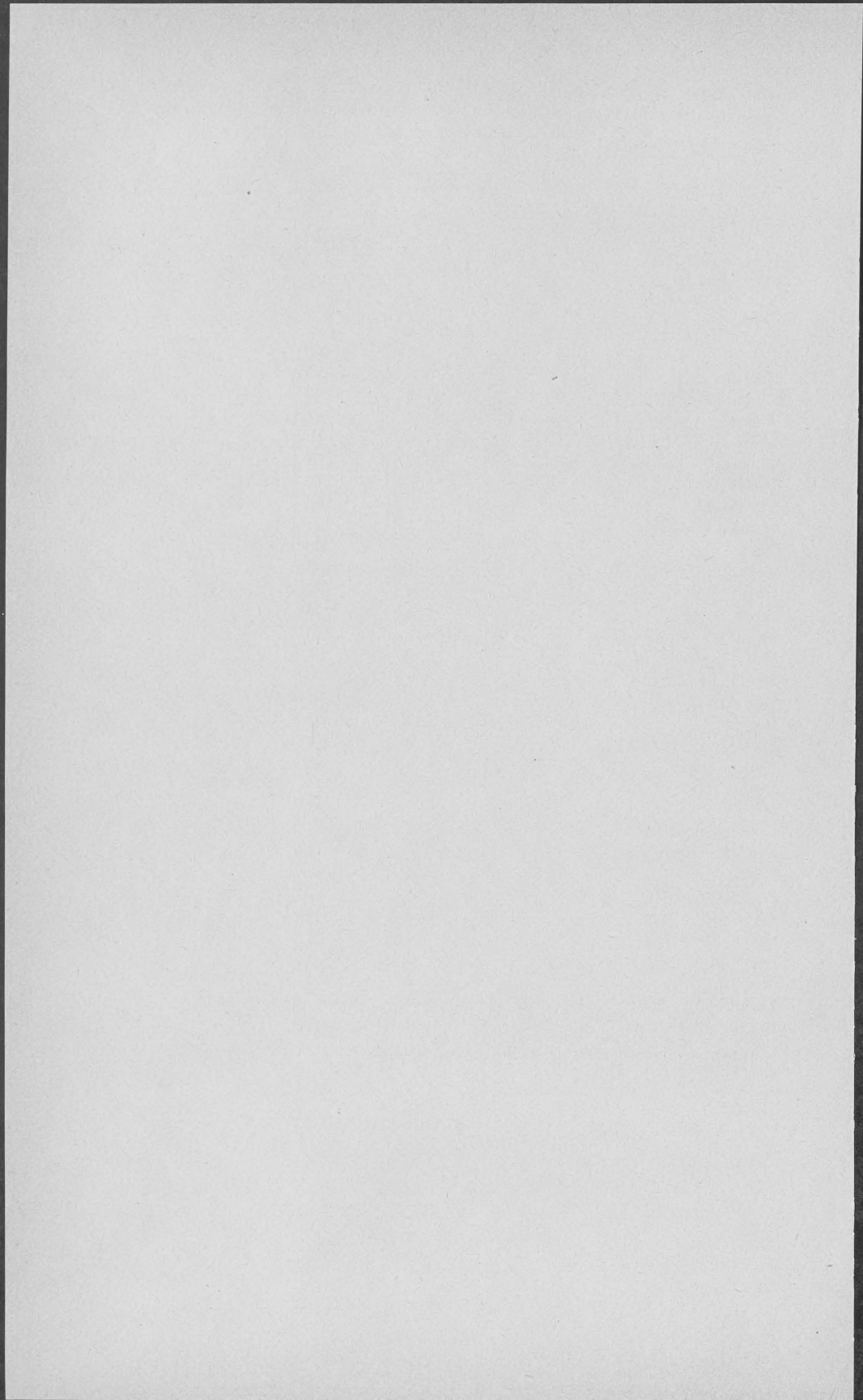
In order to encourage the consumption of surplus agricultural commodities by the participating countries, the Secretary of Agriculture is authorized to pay up to half the market or cost price, whichever is lower from funds available under section 32 of Public Law 320, Seventy-fourth Congress. Late in 1949, utilization of these funds was restricted by the Congress to cover mostly perishable commodities. Through September 30, 1950, \$58.7 million had been expended under this program for such items as fruits, eggs, peanuts, flaxseed, wheat and tobacco.

AUTHORIZED PROCUREMENT OF SURPLUS AGRICULTURAL COMMODITIES FROM
UNITED STATES GOVERNMENT STOCKS AND DOMESTIC COMMERCIAL STOCKS
APRIL 3, 1948-SEPTEMBER 30, 1950 ¹

Commodity	Procurement from commercial and Government stocks		Procurement from Government stocks	
	Value (millions of dollars)	Approximate quantity (thousands of metric tons)	Value (millions of dollars)	Approximate quantity (thousands of metric tons)
Total.....	3, 050. 6	-----	119. 6	-----
Cotton.....	1, 170. 7	1, 566	-----	-----
Wheat and wheat flour.....	934. 2	11, 100	-----	-----
Tobacco.....	368. 7	357	-----	-----
Corn.....	242. 6	4, 016	-----	-----
Cheese.....	63. 9	77	-----	-----
Peanuts.....	55. 1	189	47. 8	168
Flaxseed.....	36. 0	183	22. 1	103
Oilcake and meal.....	30. 1	424	-----	-----
Oats.....	20. 3	328	-----	-----
Barley.....	19. 1	290	-----	-----
Rye.....	13. 8	192	-----	-----
Wool.....	12. 8	10	12. 8	10
Dried whole milk.....	9. 5	10	-----	-----
Wood rosin.....	9. 2	66	-----	-----
Dried eggs.....	8. 6	6	8. 6	6
Gum rosin.....	7. 3	51	-----	-----
Raisins.....	7. 2	62	3. 7	26
Linseed oil.....	7. 0	14	5. 7	12
Frozen eggs.....	6. 9	18	6. 9	18
Prunes.....	6. 9	45	4. 5	32
Dried beans and peas.....	6. 4	41	-----	-----
Gum turpentine.....	3. 4	21	3. 4	21
Non-fat milk solids.....	3. 3	12	3. 2	12
Pork.....	2. 6	5	-----	-----
Wood turpentine.....	1. 8	13	-----	-----
Tung oil.....	1. 7	4	. 5	1
Hemp fiber.....	. 7	2	. 3	1
Lecithin.....	. 5	1	-----	-----
Mohair.....	. 2	(²)	-----	-----
Flax fiber.....	. 1	(²)	. 1	(²)

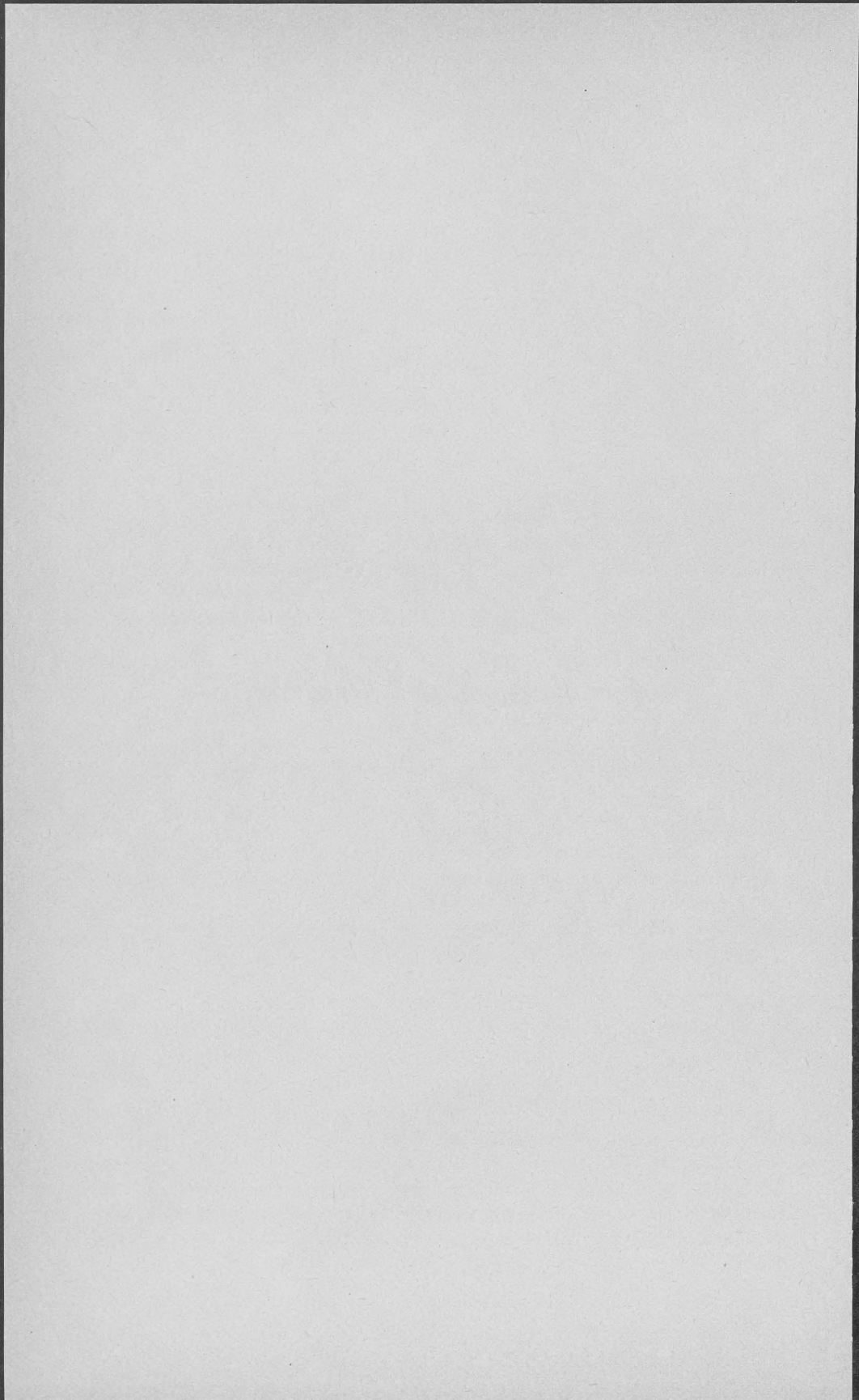
¹ Includes procurement authorizations for GARIOA and MDAP.

² Less than 500 metric tons.



Part II

Far Eastern Aid Programs



CHAPTER IV

Far Eastern Aid Programs

THE ECA ROLE IN KOREA

THE attack on the Republic of Korea by the forces of North Korea on June 25, 1950, brought to a climax the long record of Communist opposition to efforts of the United States and the United Nations to assist in establishing a single, freely elected government for all Korea.

Within fifteen hours of the receipt of the news of the North Korean assault on the Republic of Korea, the United States representative in the United Nations Security Council proposed a "cease-fire" resolution to an emergency meeting of the Security Council. The resolution was passed by a vote of 9 to 0, with the Soviet Union representative boycotting the meeting and the Yugoslav delegate abstaining. Further, on June 27 the Council passed a resolution, calling upon members of the United Nations to give their help to the Republic of Korea. Only the Soviet Union and five of its satellites failed to support this resolution. By the end of September, over 30 member nations had made available specific assistance, including ground troops, air and naval support, hospital and merchant ships, field medical units, strategic materials and food supplies.

ECA assistance was fitted into the larger military requirements picture and was coordinated with the overall strategy and logistics of the Unified Command. Geared primarily to assist in maintaining and aiding the civilian economy, ECA aid took the following forms:

Procurement of commodities needed to maintain the civilian economy.—The ECA Korean Mission procured, through the Federal Supply Service in Tokyo, commodities needed in the Korean civilian economy which were available in the Far East, and ECA in Washington, through the Federal Supply Service, purchased goods required from the United States.

As of June 30, total ECA procurement authorizations for Korea since the start of the aid program reached \$109 million; paid shipments totaled \$60 million. By September 30, procurement authorizations had risen to \$129 million and payments to \$64 million. Some foods were purchased, but the primary emphasis was on coal and critical industrial materials for use in the rehabilitation of docks, warehouses, electric power installations and industrial projects.

PROCUREMENT AUTHORIZATIONS AND PAID SHIPMENTS FOR KOREA

JANUARY 1, 1949-SEPTEMBER 30, 1950

[Thousands of dollars]

	Procurement authorizations	Paid shipments ¹
<i>Commodity group</i>		
Grand total.....	129, 343	64, 317
Food and agricultural commodities.....	50, 713	37, 881
Industrial commodities.....	54, 106	22, 507
Unclassified commodities and services.....	10, 000	-----
Technical services.....	3, 750	1, 285
Ocean freight.....	10, 774	2, 645
<i>Commodity detail</i>		
Food, feed and fertilizer.....	33, 679	25, 877
Fertilizer.....	25, 347	20, 993
Bread grains.....	4, 671	4, 671
Rice.....	2, 082	-----
Barley.....	1, 360	-----
Whale oil and fish oils.....	220	213
Fuel.....	19, 587	11, 940
Coal and related fuels.....	10, 640	7, 233
Petroleum and products.....	8, 947	4, 707
Raw materials and semifinished products.....	34, 791	18, 971
Raw cotton except linters.....	16, 255	11, 314
Iron and steel mill materials and products, including ferro-alloys.....	4, 894	1, 468
Nonmetallic minerals.....	3, 554	1, 392
Lumber and lumber manufactures.....	3, 016	384
Chemicals and related products.....	2, 923	1, 258
Fabricated basic textiles.....	2, 676	2, 443
Vegetable fibers, manila or abaca.....	568	486
Pulp and paper.....	531	35
Nonferrous metals and products.....	356	193
Miscellaneous fiber products.....	18	-----
Machinery and vehicles.....	16, 096	3, 317
Machinery and equipment.....	8, 713	1, 282
Vehicles and parts.....	7, 383	2, 035
Miscellaneous and unclassified.....	668	282
Miscellaneous industrial commodities.....	457	78
Miscellaneous inedible vegetable products.....	211	205

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the lag in receipt of shipping documents.

Use of Technical Experts.—Working out of the ECA office established in Tokyo, technical experts aided the Korean Government in meeting problems of transportation, electric power, communications, finances, food and general supplies for the civilian population. Thus, agricultural experts devoted their attention to the problem of feeding civilians in the area held by the United Nations forces. Supply and transportation specialists rearranged shipping schedules and aided in the distribution of necessary civilian goods. Other United States technicians helped to supply electric power and maintain communication facilities.

American contractors who were working on projects for economic development prior to the Communist invasion were transferred wherever possible to the Armed Forces to perform specialized work in connection with ship repairs, airport operations and training measures. Other Americans whose work could not be utilized by the military were returned to the United States.

Thus, of the 160 Americans from contracting firms who were with the ECA program in Korea when hostilities started, approximately 120 were reassigned to military operations or other ECA work directly related to the Far East crisis. For example, engineers supervised the reconditioning and repair of the power ship Jacona, in order that its 20,000 kilowatts could continue to be utilized. Other groups performed such functions as helping the Army in operating airports in Japan and supervising the repair and rehabilitation of South Korean ships. Particular efforts were directed toward maintaining production in the Pusan district at the highest possible level during the emergency period.

The economic effects of the ECA program in South Korea since 1949 had brought agricultural production above prewar levels and had resulted in an increase in industrial production of 50 percent in one year. Furthermore, output was still rising. New machinery was being manufactured for the tungsten mines, deeper seams of coal had been located and the coal development program was about to get under way. Problems of management had been solved in the ship repair yards. A peat production program was in progress. Three railways were being built in the mineral and industrial areas of the east coast, a large dam for increasing hydroelectric production was nearing completion and numerous other projects were in the process of development.

On September 29, pending adoption of the United Nations program for Korea, President Truman in a letter to the ECA Administrator, defined the functions of ECA in the immediate future. Under the President's directive, ECA responsibilities, under appropriate arrange-

ments with the Government of the Republic of Korea and the United Nations Command, were to be as follows:

a. The provision of equipment, supplies, and advisory aid required to maximize the output of Korean agricultural and fisheries resources, and of essential civilian industrial production facilities which are not directly utilized by the United Nations Command for predominantly military purposes.

b. Fiscal advisory assistance to combat the threat of inflation and to help the Republic of Korea to develop appropriate controls in these fields.

c. The continued development and execution of programs for the training of personnel in the administration and operation of economic agencies and enterprises.

d. The development of requirements and suggested plans for the postwar rehabilitation of public utilities, mines, harbors, and other facilities important to the economy of the Republic of Korea. Such suggested plans should be prepared for submission to whatever agency or agencies may be established to deal with postwar rehabilitation and reconstruction problems.

e. The development and analysis of information regarding economic problems in the Republic of Korea which will contribute to timely action in respect to these problems by the appropriate agencies.

f. Upon the request of the United Nations Command, provide assistance in arranging with local authorities in Korea for the proper distribution and issue of supplies in order to prevent conditions of disease and unrest and render advisory assistance in the procurement of supplies for such purposes.

The President relieved ECA of all responsibilities for financing commodities needed for direct civilian relief assistance. The United States share of such needs, the President directed, would be channeled through the United Nations Command by the Department of Defense.

GENERAL AREA OF CHINA

Under Title IV of the Foreign Assistance Act of 1948, the Congress authorized economic aid to China, and \$275 million was appropriated later for this purpose. As a consequence of the Communist conquest of most of the China mainland during the year 1948-49, only a portion of these funds was spent. Subsequent legislation of the Eighty-first Congress authorized the obligation of remaining China Aid funds through June 30, 1950. Not all of these funds was obligated during that period, however, and the balance was authorized for use in the "general area of China" by the Foreign Economic Assistance Act of 1950. This provision has formed the basis for ECA aid pro-

grams to assist six Southeast Asian countries—the three Indochinese States (Vietnam, Laos and Cambodia), Indonesia, Burma and Thailand—as well as Formosa, which is the only important territory remaining fully in the hands of the Nationalist Government of China.

Thus, as of June 30, 1950, about \$84 million was available to ECA for economic assistance to Formosa and other areas in Southeast Asia.

This Act specifies that so long as the President deems it practicable, not less than \$40 million of available funds shall be spent in non-Communist China (including Formosa); that in the event of natural calamity not more than \$8 million of available funds shall be spent for relief in China, under appropriate safeguards, through the American Red Cross or other voluntary relief agencies; and that \$6 million shall be allocated to the Secretary of State for the support of Chinese students and teachers in the United States. The remainder is for economic assistance designed to accomplish the general purposes of the Act “in the general area of China”, a phrase which, as a consequence of Congressional intent and current realities and needs, is construed to include Southeast Asia.

During the first quarter of the fiscal year, beginning July 1, 1950, \$13.6 million of appropriated funds were committed for ECA assistance to Formosa and \$2.2 million for ECA assistance to Southeast Asian countries, leaving a balance of approximately \$68 million for use during the remaining three quarters of 1950–51.

ECA assistance to Formosa is designed to help the island sustain the heavy economic burdens placed upon it, to correct the economic maladjustments caused by the migration of approximately a million refugees from the Chinese mainland, and to help Formosa achieve economic self-sufficiency through increased production of food and export commodities.

Prior to the attack on South Korea by the North Korean army, ECA assistance to Formosa concentrated on immediate, short-term aid, due to the impending threat of Chinese Communist invasion. Developments during the quarter rendered the position of the island less immediately precarious, and ECA funds were consequently devoted to some longer-term projects of economic rehabilitation and development.

The ECA assistance program for Southeast Asia was developed as a result of the State Department mission, headed by Mr. R. Allen Griffin, which in the spring of 1950 surveyed the needs of several Southeast Asia countries and submitted reports indicating the kinds and approximate amounts of economic assistance needed.

The aims of economic assistance to Southeast Asia as proposed by the Griffin Mission are to reinforce the non-Communist national governments in that region by quickly strengthening and expanding the economic life of the area, improve the conditions under which its people live, and demonstrate concretely the genuine interest of

the United States in the welfare of the people of Southeast Asia. Accomplishment of these aims is highly complicated and difficult because of the disruption caused by World War II, dislocations resulting from the transition from colonial status to independence, and disorganization of production and essential services caused by active rebellions and internal subversion.

Throughout Southeast Asia there is a pervasive need for improvement of agriculture and economic conditions—reduction of rents, redistribution of land, extension of agricultural credits at reasonable rates and betterment of agricultural methods. The peoples of Asia desperately need increased services in the fields of health, agriculture, education, transport and communications. Throughout Asia there is great economic waste, suffering and death as a consequence of lack of facilities for controlling communicable diseases. Food supplies could be substantially increased by the introduction of improved modern devices and methods. The governments of Asia must be in a position to provide these requisites and it will be difficult for them to do so unless they receive help in the training of administrators and technicians, and in the supply of some very necessary equipment and materials.

Asia needs economic development—capital and skills for the building of transport systems, the irrigation of land, the creation of light industries, and occasionally for heavier industries where resources, skills and markets justify them.

In line with these needs, the ECA programs proposed for Southeast Asia are focused primarily on the provision of technical assistance and material aid to essential services and in the development of agricultural and industrial output for local consumption and for export. These activities are to be carried on in a manner calculated to demonstrate that the national governments are able to bring benefits to their people and thereby to strengthen those governments' political support. The aid programs are, therefore, to be accompanied by information programs that will publicize widely the extent and character of the benefits being brought to the people by their governments.

The Southeast Asia programs differ markedly from the programs in Europe. Assistance is largely on an individual country basis in contrast to the mutual aid emphasis in the European program. In Southeast Asia the principal obstacles to economic development are shortages of internal revenue, a dearth of trained and experienced technical and administrative personnel and scant supplies of basic tools and equipment.

Following the Griffin Mission's survey and recommendations, the responsibility for furnishing and administering assistance from the United States to Southeast Asia was assigned to ECA. During the quarter under review, ECA proceeded to organize Special Technical

and Economic Missions (STEMS) in the Indochinese States, Indonesia, Burma and Thailand, and to negotiate bilateral agreements with these countries as the basis for assistance programs. Detailed planning has progressed along with organization, and the extension of aid to approved projects began during the quarter.

SOUTHEAST ASIA AID PROGRAMS—AUTHORIZATIONS ISSUED, JULY 1, 1950, THROUGH
SEPTEMBER 30, 1950

[Thousands of dollars]

	All countries	Formosa	Indochinese States	Indonesia	Thailand
Total.....	15, 808	13, 615	1, 161	659	373
Commodities.....	12, 104	11, 585	517	-----	2
Agricultural.....	7, 386	7, 249	135	-----	2
Industrial.....	4, 718	4, 336	382	-----	-----
Industrial projects.....	1, 168	1, 077	91	-----	-----
Public health.....	283	-----	153	59	71
Freight ¹	2, 253	953	400	600	300

¹ For a 6-month period beginning July 1. To be subauthorized as needed.

NOTE.—Bilateral agreements with the Southeast Asian countries were signed as follows: Burma, September 13, 1950; Thailand, September 18, 1950; Indonesia, October 16, 1950; letters of intent received from each of the Indochinese States pending the execution of bilateral agreements. (Aid to Formosa was based upon the July 3, 1948 agreement with the Republic of China.)

Formosa

The Nationalist Government of China faces a serious problem in raising the revenue required to maintain its military establishment and to support civil functions in Formosa. Local currency costs for both budgets must be met from the resources of the island which has a "normal" population of only 6.5 million persons, now swelled to almost 8 million by the influx of soldiers, their dependents and 500,000 refugees from the mainland. ECA is concerned with economic problems created by the diversion to military uses of local funds which otherwise would be available for improvements in the civil economy.

The short-term objective of ECA aid to Formosa is to offset the foreign exchange deficit and assist in maintaining the highest possible levels of agricultural and industrial production. The chief long-run objectives are the building of a self-supporting economy and increasing the living standards of the people of Formosa. Currently, aid to Formosa is of three types: providing commodities required to keep industries operating and to meet the needs of civilian consumption; supplying technical and material assistance for the maintenance and rehabilitation of Formosan industries; and, supporting a program for the betterment of the rural economy.

The commodity program is intended to finance imports, from hard currency areas, which otherwise could not be purchased owing to the limited foreign exchange resources available to the Chinese. The commodities being imported consist largely of industrial raw materials, tentatively programmed at approximately \$30 million for the fiscal year.

The second type of assistance, programmed for approximately \$10 million, is directed toward the improvement of power generating and transmission systems, railway transportation, telecommunications, highways, and fertilizer manufacturing facilities. Increasing emphasis is being placed on this type of long-range industrial program to enable [Formosa] to become economically self-supporting within five years. An American engineering consulting firm is working in Formosa under a contract financed by the ECA.

The third type of aid is being guided by the Joint Commission on Rural Reconstruction (JCRR), established in accordance with Public Law 472 of the Eightieth Congress. The Commission, comprising American and Chinese members, is engaged in the administration of approximately 140 projects for improvement of the agricultural economy and the betterment of living conditions of the rural populace. These projects are being financed largely from local currency funds derived from the sales proceeds of ECA-financed imports.

Working in close conjunction with the ECA Mission to China is the Chinese Government cabinet-level agency known as the Council for United States Aid (CUSA). The head offices of both CUSA and the ECA Mission are located in Taipeh, the seat of the Provincial and Nationalist Governments. Meeting in frequent session, CUSA and the ECA Mission are represented on the Taiwan Joint Committee for United States Aid. In this way, economic programs are jointly developed in order to achieve maximum benefits from Chinese self-help measures combined with ECA assistance.

ECA efforts in Formosa, undertaken in conjunction with numerous self-help measures initiated and sponsored by the Chinese, have resulted in notable progress in improving transportation facilities and in aiding industry. For example, in the case of the railways, freight tonnage has increased to 18,690 tons per day during 1950 in contrast with 6,400 tons per day in 1946. With this improvement, it is only 4,710 tons below the peak load prior to the war. In the development of electric power output, the Chinese Government has expended \$3.8 million from its own foreign exchange resources and has now repaid an additional commercial loan of \$2 million, in order to improve power output. As a result, the peak power load increased to about 160,000 kilowatts, a level higher than the prewar maximum during the Japanese occupation. Assisting this Chinese effort, ECA is financing further improvements of the generating and transmission facilities in Formosa at a cost of \$3.7 million. The Chinese, working in conjunc-

tion with American engineers and the ECA, have also improved the administration of the two major seaports, Keelung and Kaohsiung. This has resulted in a substantial reduction of the turn-around time for vessels.

In rice production, an all-time peak was expected this year amounting to 1.4 million metric tons, as compared with the 1945 yield of only 600,000 metric tons, or the 1947 yield of one million metric tons. This record is possible in part as the result of increased application of ECA-financed chemical fertilizers and in part of favorable climatic conditions.

In sugar production, emphasis has been placed on the development of underground water resources. This project involves an expenditure equivalent to \$2.5 million from the Chinese foreign exchange reserves. The bulk of this amount has been committed to finance engineering and drilling equipment. Through these efforts, it is hoped that sugar production can exceed the 610,000 metric ton figure achieved in 1949-1950.

The accompanying table summarizes the commodity aid authorized to be financed for Formosa since the inception of the ECA program, and the actual arrivals and disposition of such commodities.

ECA COMMODITIES AUTHORIZED, ARRIVED, DISTRIBUTED, AND ON HAND IN FORMOSA AS OF SEPTEMBER 30, 1950
[Value in thousands of United States dollars]

Commodity	Authorized	Arrived ¹	Dis-tributed ¹	On hand ¹
Total.....	² 40, 606	28, 223	28, 040	³ 183
Fertilizer.....	15, 071	13, 684	13, 684	-----
Petroleum.....	⁴ 8, 361	8, 361	8, 361	-----
Raw cotton and textiles.....	⁴ 3, 625	2, 491	2, 308	183
Fats and oils.....	3, 210	2, 785	2, 785	-----
Railway equipment.....	2, 551	-----	-----	-----
Small industries rehabilitation.....	2, 126	279	279	-----
Lumber.....	2, 000	-----	-----	-----
Road materials.....	1, 339	-----	-----	-----
Wheat and flour.....	971	495	495	-----
Pulp.....	320	68	68	-----
Telecommunication.....	300	-----	-----	-----
Iron and steel.....	240	-----	-----	-----
Miscellaneous.....	492	60	60	-----

¹ Estimated.

² \$37,110,000 in appropriated funds; \$3,495,000 from foreign exchange sales proceeds.

³ Does not include products manufactured from commodities distributed, such as yarn and cloth.

⁴ Revised.

In order to assure a continued increase in production, and to permit Formosa to become largely self-supporting, ECA is financing an industrial rehabilitation program estimated to require financing up

to \$10 million from fiscal year 1951 funds. Aside from the \$3.7 million power program, ECA is providing \$1.8 million for railways. This fund is being used to purchase cross ties, steel rails, locomotive and car repair materials, rolling stock and telecommunications equipment. Similarly, equipment for improved bus and truck transportation and highway improvement has been financed at a total cost of approximately \$4 million. Since the production of chemical fertilizer is of vital importance to the sugar and rice yields of Formosa, one million dollars was programmed for the expansion of an ammonium sulphate plant already in operation at Kaohsiung. The expansion of this plant will result in an additional 21,400 metric tons of material per year, bringing the total estimated capacity for chemical fertilizer up to approximately 148,000 tons, assuming the completion of the construction now under way.

During the quarter ended September 30, funds totaling \$14.4 million were committed for purchases of commodities for shipment to Formosa, financed principally from appropriated funds, and partially from foreign exchange funds derived from the sale of ECA-financed commodities removed from Shanghai before the Communist takeover. In addition to equipment and parts for the rehabilitation and maintenance of the island's power, railway, highway and telecommunications facilities, authorizations covered food and raw materials. These commodities included wheat and flour for food; tallow and copra for soap manufacture; raw cotton for the production of yarn and cloth in Formosan mills; petroleum for processing into products for domestic requirements at the Kaohsiung refinery; soya beans for oils and animal feed cakes; fertilizer to increase the rice crop; and gypsum, sulphur, cow hides, and phosphate rock.

In conjunction with the ECA-sponsored commodity and industrial rehabilitation programs, ECA is financing technical assistance in the form of engineering consulting services. The recommendations of a group of consulting engineers are being carried out in connection with industrial rehabilitation and the allocation of industrial raw materials imported with ECA help.

Joint Commission on Rural Reconstruction.—During the quarter, the Joint Commission on Rural Reconstruction (JCRR) reviewed the administration of its program in Formosa with the purpose of devising a more effective approach to some of the island's outstanding rural problems. Among these are excessive interest rates, an inadequate taxation system, inequitable return to farmers for their production, and weaknesses in local farmers' cooperative associations. At the conclusion of the quarter, the review by JCRR, although substantially completed, had not reached the stage where specific program changes could be initiated.

The equivalent of \$270,000 (mostly in local currency) was obligated by JCRR during the quarter, for expenditure in such projects as im-



An experimental farm at Taipeh, Formosa, financed by the Joint Commission on Rural Reconstruction. Rice is planted in "bins" containing controlled mixtures of soil and fertilizers.

proved production and marketing of crops, manufacture and distribution of vaccine for the control of animal diseases, consolidation of current accomplishments in land rent reduction, and encouragement of a program for limiting the size of land holdings. Expenditures during the quarter were equivalent to \$333,000 including payments on obligations of the current and prior quarters. Cumulatively, as of September 30, obligations amounted to \$2.3 million and payments totaled \$1.8 million, as shown in the following table:

JCRR PROGRAM IN FORMOSA THROUGH SEPTEMBER 30, 1950
[Thousands of dollars and dollar equivalents]

Projects	Obligations	Payments
Total.....	2, 274	1, 799
Agricultural improvements ¹	925	773
Health.....	581	407
Irrigation.....	223	134
Farmers' organizations.....	196	175
Animal industry.....	126	91
Land tenure reform.....	121	119
Audio-visual education.....	80	80
Fertilizer distribution.....	22	20

¹ Includes projects for seed multiplication and distribution, rehabilitation of farm equipment and control of crop pests.

Indochinese States

The Indochinese States—Vietnam, Cambodia and Laos—are going through a critical period in their transition to self-rule. Despite the existence of potentially workable economies, economic and technical assistance are required for government services and industry if these states are to survive. Meanwhile, the three governments are dependent upon financial assistance from the French to meet large government deficits and to provide foreign exchange for necessary imports.

Their present condition has a variety of origins, the most important being (1) deterioration of equipment and looting during the Japanese occupation; (2) in Vietnam (the largest State), civil war led by the Communist leader, Ho Chi-minh, which has caused widespread disruption of agriculture, communications and industry; and (3) the transition of the three areas from colonial dependencies of France to independent status within the French Union.

Before this transition can be completed, local personnel must be trained to assume the manifold tasks of government administration heretofore performed almost exclusively by the French. Approximately 150,000 French and French colonial troops have been engaged in resisting the efforts of the Viet Minh movement to usurp power.

In May 1950, a United States Special Technical and Economic Mission to the three States was opened in Saigon. Key personnel and secretarial and clerical assistance followed later to staff the mission. With an allocation by the President of \$750,000 from an emergency fund, the ECA program got under way. Since then, additional funds have been earmarked by ECA from the new appropriation for use in the three States during the current fiscal year.

Activities during the quarter ended September 30 consisted for the most part of developing plans for the most efficient and speedy use of American assistance and of placing orders for initial shipments of supplies and equipment.

Plans for assistance recommended by the mission concern five important areas: agriculture, industry, public health, information and emergency relief.

Owing to the unsettled political conditions in Vietnam, ECA has not yet been able to develop as extensive an agricultural program as the situation would normally require. A shipment of vegetable seeds for experimental purposes was dispatched, and material was being procured for agricultural and forestry schools. In addition, ECA ordered pumps for an irrigation project.

Industrial projects, under various stages of development, covered a wide variety of items. Preliminary emphasis was given to the rehabilitation and improvement of transportation, particularly highway and water transportation. Substantial quantities of road repair

materials and equipment were ordered including asphalt, scrapers and bulldozers. Specifications were being developed for additions to the fleet of tugs, barges and small vessels plying inland waterways. ECA was engaged in procuring mobile cranes, to assist the handling of cargo in the river ports, and portable electric power units, to provide stand-by replacement power where needed. Long-range projects such as the rehabilitation of the coal mines and cement works, and creation of new facilities, such as fertilizer plants, must await more settled security conditions to warrant the investment of the relatively large sums required.

The three Indochinese States have public health problems common to most Southeast Asian countries. These include a very high incidence of malaria, venereal disease, yaws, trachoma and tuberculosis, high maternal and infant mortality rates, and woefully inadequate hospital facilities. ECA public health projects contemplate action to attack all of these problems. Operations began during the quarter to control malaria in north and south Vietnam. Houses and buildings were sprayed with DDT and malarial patients received aralen tablets. Primary emphasis in general sanitation was placed on improving rural drinking water supplies. Well-drilling equipment and pumps were ordered to enable the drilling of some 500 demonstration wells to furnish safe drinking water to villages. Continuing emphasis will be placed on this important project. A broad program for hospital re-equipment to be financed by ECA was well under way. Equipment has been ordered in the United States and France to modernize 28 existing hospitals in the three States. In addition, ECA plans to furnish four prefabricated hospitals with complete equipment for areas in Vietnam having no hospital facilities.

ECA is also procuring equipment for the information services of the Governments of the three States. Requests approved by ECA call for mobile sound and movie trucks and several hundred radio receiving sets with loud speakers for dissemination of information and educational programs in outlying towns and villages.

The civil war raging in Vietnam has created a distressing refugee and relief problem, particularly in the Hanoi and Saigon-Cholon areas. To meet this problem, ECA planned procurement of large quantities of blankets, cloth, needles, thread, condensed and dried milk and corned beef. These will be distributed without charge to needy persons.

By the close of the quarter, all of the emergency allocation of \$750,000 had been expended or earmarked for supplies and expenses in connection with the public health program in the three States. In addition, procurement authorizations aggregating \$1.2 million had been issued against the additional ECA funds allotted to the Indochinese States. These authorizations and expenditures covered a wide range of materials, including medical supplies—penicillin,

aralen, aureomycin, DDT and sprayers for malaria control—motor vehicles for the health teams, asphalt for road repair, pumps for water supplies and hospital equipment.

Negotiations were initiated for the conclusion of bilateral agreements with the three Indochinese States. Completion of these negotiations was delayed because of the absence of key officials of the three States to attend the conference in Pau, France, dealing with future relations between the Indochinese States and France.

It is tentatively estimated that the total program of ECA economic assistance to the three Indochinese States during the fiscal year 1950-51 will be somewhat over \$21 million.

Indonesia

A country of substantial natural resources and strategically important products, Indonesia achieved its independence from the Netherlands on December 27, 1949, and on August 17, 1950 was changed from a federated state (The Republic of the United States of Indonesia) to a unitary state (The Republic of Indonesia) with a new republican government. On September 28, 1950, by unanimous agreement of all the member countries, Indonesia became the sixtieth member of the United Nations.

Indonesia requires a considerable amount of foreign assistance to transform its hitherto colonial economy into that of a self-supporting and independent nation. The country is in great need of rehabilitation as a result of World War II occupation by the Japanese, and the subsequent struggle for independence.

The prewar economy of this area had been maintained with the aid of Dutch technical services and administration, and, as these experts and administrators were withdrawn, essential services for health, agriculture, education and utilities were weakened.

The ECA program in Indonesia is based on the belief that available funds would be most effectively spent in supplying technical services and equipment which would benefit the maximum number of people. Accordingly, the program emphasizes the provision of technical assistance and equipment for improving health, agriculture, forestry and lumbering, fisheries and training services. This involves furnishing technical personnel and equipment such as small agricultural hand tools and fishing equipment. Also included are plans for financing the services of an American engineering firm which will aid the Indonesian Government in preparing development projects and improving the operation of existing industrial facilities. During the quarter under review a substantial number of the personnel required for the ECA Mission arrived in Indonesia and began operations, particularly in the fields of health, agriculture and small rural industries. A fisheries expert, borrowed from the ECA Mission in Korea, undertook a survey

and made recommendations for the procurement of about one million dollars of fisheries equipment and supplies.

Under the direction of the United States Ambassador who was also acting chief of the ECA Mission in Indonesia, negotiations were proceeding relative to the signing of a bilateral agreement between the Governments of the United States and Indonesia. This Agreement will establish the terms on which ECA aid is to be provided and the duties and responsibilities of the two Governments in relation thereto.¹

Negotiations were in progress between ECA, representatives of the Indonesian Government and an American engineering firm selected by the Indonesian Government for consultative engineering, economic advisory and other supervisory and procurement services with respect to the development of the Indonesian economy. The contract, when signed, will be financed by ECA.

Requests from the Government of Indonesia for about two million dollars worth of small agricultural hand tools and equipment for the rubber industry were under study by ECA when the quarter ended. Included were such items as tin plate, aluminum sheets, hand mangles used in rubber processing, hoes, small plows, choppers, axes, saws, files and pumps. This was in addition to the one million dollars worth of fisheries equipment mentioned above.

It is estimated that the total program of ECA economic assistance to Indonesia during the fiscal year 1950-51 will amount to approximately \$13 million.

Burma

Although the potentialities of a viable economy are present in Burma, the country's economy and government services are still badly disrupted as a result of wartime destruction and continuing internal rebellion by Communists and other groups. Production and exports remain far below prewar levels, and the need for technical assistance is acute since the departure of most key foreign technicians, advisers and administrators following Burma's achievement of independence.

The general outlines of a program of economic and technical assistance to Burma by the United States were drawn up by the Griffin Mission following a first-hand survey of the situation and discussion with officials of the Government of the Union of Burma. The Griffin Mission recommendations, which are the basis of the ECA program, proposed that American aid be given to assist the Government of Burma in restoring essential services.

On September 13, 1950, a bilateral agreement (Economic Cooperation Agreement Between the Government of the United States

¹ The bilateral agreement (Economic Cooperation Agreement Between the Government of the United States of America and the Government of the Republic of Indonesia) was signed by the representatives of the United States and Indonesia on October 16, 1950.

of America and the Government of the Union of Burma) was concluded. The Government of Burma agreed to use its best efforts to assure efficient and practical use of its available resources together with assistance received to achieve financial stability and promote economic development. It further agreed to cooperate in efforts to reduce trade barriers and to promote domestic and international trade. This Agreement was approved by the Burmese Parliament with only one dissenting vote, a firm indication of the spirit of cooperation and mutual understanding which characterized the negotiations.

Immediately after the signing of the bilateral agreement, steps were taken to organize in Rangoon a Special Technical and Economic Mission for Burma to carry out ECA program operations. This STEM has now been organized with a staff including experts in agriculture, industry, health and economic analysis, as well as administrative personnel. In addition a port engineer has been sent as a consultant to assist the Government of Burma in planning ways and means of rebuilding the port of Rangoon which was badly damaged during the war.

The Prime Minister of Burma appointed a group of technical leaders to serve on the Burma Economic Aid Committee (BEAC) which will coordinate the Government of Burma's plans for economic rehabilitation and development and will work with the STEM. Within the framework of general economic policies determined by the Government of Burma, this committee will prepare requests for economic and technical assistance designed to promote economic stability and development and to improve the welfare of the people. After review by STEM and approval by ECA in Washington, action will be taken to provide that assistance which is requested, and approved.

As of September 30, the Government of Burma had requested the procurement of 1,000 bales of raw cotton, 5,000 bales of cotton yarn and small quantities of badly needed antibiotics—chloromycetin, streptomycin and aureomycin—at a total cost of approximately \$2.3 million. The raw cotton mixed with domestic cotton will enable a large cotton weaving and spinning factory at Rangoon (erected by American engineers) to begin production of textiles for distribution throughout Burma.

While the antibiotics were necessary to cope with fast-spreading diseases in Burma, the cotton and cotton yarn were essential to aid the country's economy. During the latter half of 1949, imports of textile cloth had accounted for one-third of Burma's total imports in that period. The sale of ECA-financed commodities will generate, without inflationary effect, local currency for use in financing services and internal rehabilitation projects. This will further strengthen Burma's economy and democratic institutions.

As BEAC and STEM develop projects for public health, agriculture

and industrial rehabilitation, it will be necessary for technicians and specialists from the United States to be recruited to assist the Burmese in making use of Western technological methods. In the field of technical assistance, BEAC through STEM has already requested the services of a vaccine production specialist, a pathologist and an orthopedist; additional specialists will be requested as the Burma Program develops.

It is estimated that between eight and ten million dollars will be programmed by ECA for economic assistance to Burma in the fiscal year 1950-51.

Thailand

There is no extreme poverty in Thailand, and economically the country is relatively well developed. Furthermore, Thailand has a long history as an independent nation and is not threatened internally by any actively rebellious groups. Due to its location, however, between Burma and the Indochinese States, where the threat of Communist aggression is acute, and because its population of about 18 million includes 3 million Chinese who may be susceptible to Communist influence, Thailand faces serious security problems.

During the period of Japanese occupation, much of Thailand's capital equipment, including harbor, railroad and telecommunications facilities suffered severely. The Griffin Mission concluded that American assistance in rehabilitating these resources would have an immediate effect on general stability in Thailand. The Griffin Mission also recommended technical assistance in agriculture, sanitation, health and communications, to improve conditions at the "grass roots" level and provide the people of Thailand with an opportunity to raise their standard of living.

A bilateral agreement was signed by the Government of Thailand and the Government of the United States on September 19, 1950. The agreement includes provisions for establishing counterpart funds under a flexible formula which should provide sufficient local currency for the operation of ECA-supported programs. The United States agreed to furnish economic and technical assistance for projects requested by Thailand and approved by ECA. Thailand will undertake to cooperate with other countries in eliminating restrictive practices in domestic and international trade.

Immediately prior to the signing of the bilateral agreement, an ECA mission was established in Bangkok, and a beginning was made in staffing the mission. On the basis of the report of the Griffin Mission, certain requests for assistance have been presented by the Government of Thailand to ECA through the American Embassy, and steps toward implementing these initial operations were under way at the end of the quarter.²

² Subsequent to September 30th, a Chief of STEM and key members of the Mission arrived in Thailand

Agriculture and health are the most important fields in which assistance is planned for Thailand. Preliminary plans provide that a substantial share of ECA's dollar assistance to Thailand in the current fiscal year will be in the form of technical assistance.

The Thailand Government approached the International Bank for Reconstruction and Development (IBRD) for assistance in financing rehabilitation and reconstruction. This altered somewhat the direction of the ECA effort. Working closely with the IBRD and the Thai Government, a start has been made toward restoring Thailand's essential services. The first concrete project related to the dredging of the Bangkok harbor. Following consultation it was agreed that ECA should take over a part of this project, the remainder to be financed on a longer-term basis by the IBRD. ECA will provide a dredge, barges and a towboat, plus technical aid, at an estimated cost of \$650,000 to \$700,000 for dredging the outer harbor. The International Bank has agreed to make three loans to the Government of Thailand for port, railway and irrigation projects, to a total of \$25.4 million. Under the \$4.4 million IBRD loan for a port project, dredging and development of the inner harbor will proceed over the next few years. As technical assistance, ECA is providing a port engineer and operator who will serve as Port Authority and will continue in close liaison with the Autonomous Authority set up under the terms of the Thai Government agreement with IBRD for operation, regulation, and unified development of the port and navigation facilities in the Bangkok area.

ECA also has authorized procurement of road construction equipment for Thailand which will cost between \$200,000 and \$400,000 (depending on a thorough study to be made) and has undertaken to rehabilitate and put into operation, under the direction of an engineer to be provided by ECA, the existing Makkasan Railway workshop. American engineers have been recruited for these projects. In all likelihood the railway engineers will continue as advisers to the Thai Government in connection with its railway rehabilitation project, which is to be financed under an IBRD loan for \$3 million. ECA has arranged, as technical assistance, a contract with a firm of American engineers for a survey of telecommunications in Thailand.

It is estimated that the total program of ECA economic assistance to Thailand during the fiscal year 1950-51 will amount to approximately \$8 million. It is believed that this assistance will have a marked effect in improving essential services, health and agriculture, thereby contributing to the internal stability of Thailand and the welfare of the Thai people.

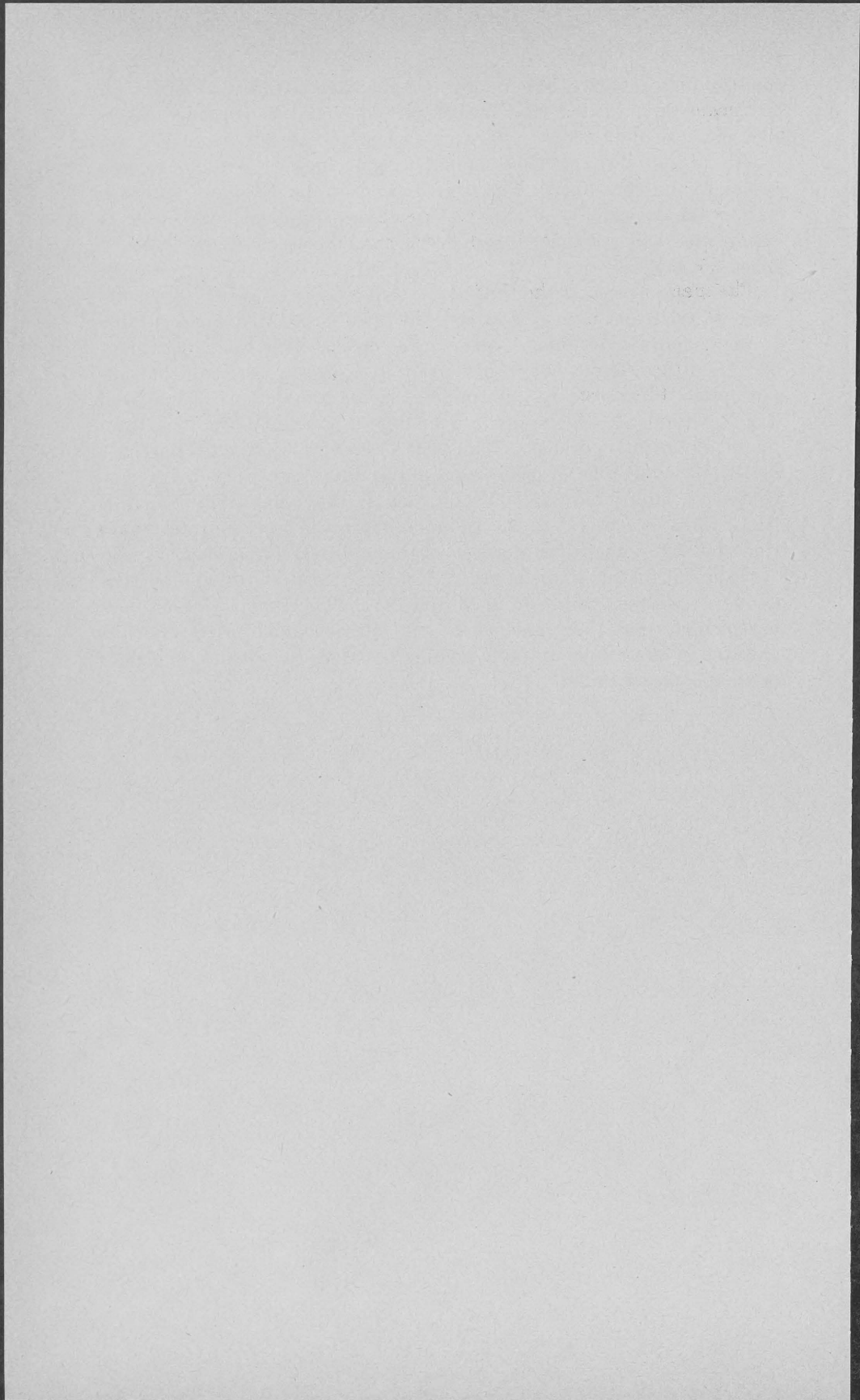
Aid to India

In August, the Government of India sought to obtain approximately 500,000 tons of grain sorghum (milo) from the United States Govern-

ment to help ease the tremendous food shortage in India. The Indian Government indicated that if this amount could be obtained at an average cost of \$1.40 per cwt., f. o. b. United States ports, the grain could be sold through Government ration channels without raising prices to the consumer. The urgent need of the people of India as well as the desirability of aiding a friendly government in meeting its needs was well recognized and every possible way was explored to meet the request.

The market price at the time of the request was above the domestic support price and both were above the price designated as acceptable to the Indian Government. Since it was decided that the Department of Agriculture should not furnish grain at a price lower than the support price, the President determined that \$4.5 million of China Area Aid Act funds should be made available on a grant basis to help in financing the milo purchase. Thus, ECA agreed to finance the purchase of 107,431 long tons of grain sorghum at \$1.87 per cwt. India purchased an additional 320,000 long tons at the same price. On this basis, the average cost to the Indian Government for the total quantity of 427,431 long tons of grain sorghum was \$1.40 per cwt.

Shipment of this grain began in October and it is anticipated that deliveries will be completed in March 1951. The Indian Government has pledged that the grain will be sold at reasonable prices and distributed in a fair and equitable manner to assure the maximum benefit to the people of India.



APPENDIX A

Statistical Indicators of Recovery Progress in Western Europe

NOTE.—The tables in this appendix are based on official or semiofficial statistics of the participating countries. To achieve greater comparability among countries or to close gaps, adjustment of published material was sometimes required. In a few cases, independent estimates were developed where the countries do not prepare data in the desired form.

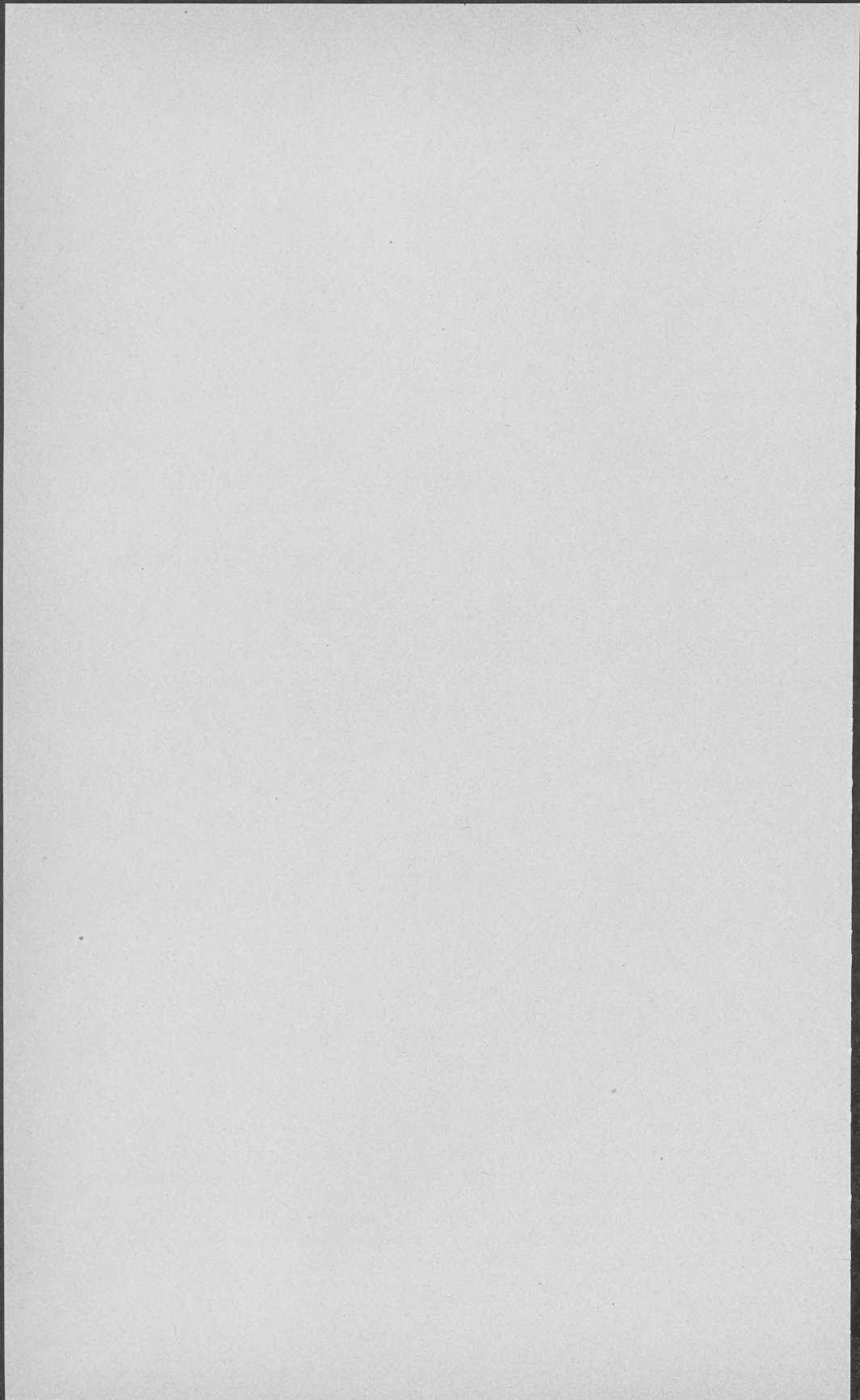


TABLE A-1.—Industrial Production Indexes, 1946-50

[1938=100]

Country	1946	1947	1948	1949	1948				1949				1950		
					1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Total	77	87	101	115	97	100	99	109	113	116	109	121	123	126	123
Excluding Western Germany	95	106	120	129	117	121	115	125	128	131	121	135	137	139	131
Austria	46	55	85	113	69	85	88	93	95	112	118	127	127	132	133
Belgium	91	106	114	116	113	113	113	117	120	118	109	117	116	116	115
Denmark ¹	103	119	133	141	133	135	123	142	138	142	133	152	151	161	145
France ²	79	95	111	122	110	116	105	114	124	129	112	124	121	125	113
Germany (Fed. Rep.) ³	29	34	51	75	41	43	55	64	70	73	74	81	82	90	97
Greece ⁴	55	69	76	90	69	70	75	90	82	88	93	99	97	106	120
Ireland	112	120	132	144	123	136	131	140	132	144	142	157	151	166	(⁵)
Italy	75	93	99	105	92	97	101	107	100	107	104	111	113	119	116
Luxembourg	86	109	145	139	(⁶)	(⁶)	(⁶)	(⁶)	164	150	127	115	134	141	148
Netherlands	74	94	113	126	106	112	109	123	121	125	123	138	132	137	142
Norway	100	115	124	132	125	133	110	129	137	137	115	138	147	147	123
Sweden ⁵	139	142	151	157	148	151	149	154	160	161	142	165	166	169	148
Turkey	135	153	154	161	154	157	154	151	146	170	162	167	152	(⁶)	(⁶)
United Kingdom ²	106	114	128	137	128	129	122	134	137	137	130	144	150	148	142

NOTE.—These indexes measure changes in the physical volume of industrial output, which is defined to include manufacturing, mining, and public utilities.

The composite index shows changes in industrial production in all ERP countries combined, excluding Iceland, Portugal, and Switzerland, which do not publish indexes. It is computed by weighting the country indexes in accordance with the estimated net value of industrial output in 1938. The weights are derived from the ECE report, *Survey of Europe in 1948*, appendix B, table G, with adjustments to cover Turkey, the Saar and Luxembourg.

The composite index presented in this report is a revision of the composite index previously issued by the ECA. The index for Italy is a revised series covering all major industries. An index for Luxembourg has been added. Monthly data for the series have been modified to measure as closely as possible the annual rate of production without adjustment for seasonal variations. The former index was designed to represent

production for a calendar month adjusted only for variations in the number of weekdays. In addition to this adjustment, the revised composite index reflects adjustments for variations in the number of holidays in some countries. Production in the latter countries represents more than half of the total output in Western Europe.

Where a country's published index differed in industry coverage from that common to most ERP countries, adjustments have been made, in so far as possible, in computing the composite index.

¹ Adjusted to include utilities.

² Excludes building activity.

³ Bizonal data for 1946, 1947, and 1948.

⁴ Adjusted to include mining.

⁵ Adjusted to include electricity.

⁶ Not available

TABLE A-2.—Steel Ingots and Castings Production, 1937-38 and 1946-50 ¹

[Thousands of metric tons]

Country	Summary by year (quarterly averages)						1948				1949				1950		
	1937	1938	1946	1947	1948	1949	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Total ²	³ 12,251	11,226	6,591	7,596	9,903	11,566	9,145	9,623	9,965	10,880	11,688	11,852	11,173	11,550	12,042	12,185	12,305
Austria	164	169	47	89	162	210	143	151	181	173	199	191	222	224	236	226	222
Belgium-Luxembourg	1,593	930	894	1,152	1,590	1,527	1,465	1,466	1,660	1,779	1,853	1,629	1,332	1,305	1,422	1,441	1,492
France (including the Saar)	2,568	2,193	1,173	1,614	2,118	2,718	1,953	2,138	2,151	2,222	2,708	2,770	2,635	2,768	2,437	2,552	2,540
Germany (Fed. Rep.)	³ 3,828	4,476	639	765	1,389	2,289	979	1,096	1,590	1,895	2,149	2,305	2,420	2,281	2,808	2,829	3,235
Italy	525	582	288	426	531	510	489	559	548	528	450	551	514	529	555	567	594
Sweden	276	243	303	297	315	339	315	318	272	350	334	328	312	372	394	344	319
United Kingdom	3,297	2,640	3,225	3,231	3,774	3,945	3,772	3,873	3,539	3,910	3,961	4,051	3,713	4,052	4,167	4,197	3,904

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

² Includes Turkey, not shown.

³ Revised. West German output estimated from trend for all of Germany from 1936 to 1937.

¹ Production in participating countries other than those shown is negligible.

TABLE A-3.—Output of Electricity, 1937-38 and 1946-50

[Billions of kilowatt-hours]

Country	Summary by year (quarterly averages)						1948				1949				1950		
	1937	1938	1946	1947	1948	1949	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Total	¹ 29.8	¹ 31.4	34.0	41.0	46.0	49.3	45.8	44.1	44.4	49.8	49.5	46.9	46.2	54.4	55.3	52.5	53.5
Austria .....	.5	² .5	.7	.8	1.1	1.0	.9	1.1	1.3	1.0	.8	1.1	1.2	1.0	1.0	1.2	1.4
Belgium-Luxembourg	1.5	1.4	1.6	1.9	2.1	2.2	2.1	2.0	2.0	2.3	2.3	2.1	2.0	2.3	2.3	2.1	2.1
France	4.5	4.6	5.5	6.3	6.9	7.1	7.0	6.9	6.8	6.8	6.9	7.0	6.7	7.8	7.7	7.6	7.3
Germany (Fed. Rep.)	¹ 7.1	¹ 8.0	6.0	6.4	7.8	9.6	7.8	7.1	7.6	8.9	9.3	8.6	9.4	10.8	10.6	9.9	10.9
Italy	3.9	3.9	(³)	5.1	5.7	5.2	5.1	5.8	6.1	5.7	4.7	5.4	5.4	5.2	5.5	6.4	6.8
Netherlands .....	.6	.6	.7	.8	1.0	1.2	1.1	.9	.9	1.2	1.2	1.0	1.0	1.4	1.4	1.2	1.3
Norway	2.3	2.4	2.8	2.8	3.1	3.8	2.7	3.1	2.9	3.6	4.0	3.6	3.3	4.2	4.5	4.1	3.9
Sweden	2.0	2.0	3.5	3.4	3.6	4.0	3.2	3.6	3.4	4.0	4.1	3.8	3.7	4.4	4.7	4.3	4.3
Switzerland	1.3	1.3	2.1	1.9	2.2	1.9	2.1	2.2	2.4	2.0	1.6	2.2	2.1	1.9	1.8	2.3	2.8
United Kingdom	5.7	6.1	10.3	10.6	11.6	12.3	12.7	10.6	10.1	13.1	13.7	11.0	10.4	14.1	14.9	12.3	11.7
Other ⁴ .....	.5	.7	.8	1.0	.9	1.0	.9	.8	.9	1.0	1.0	.9	.8	1.1	1.1	1.0	1.0

NOTE.—Figures include production of establishments generating electricity for their own use in the following countries: Belgium-Luxembourg, France, Germany (Fed. Rep.), Italy, Norway, Portugal, Sweden, Turkey, and partial production of such establishments in Austria and Switzerland. Figures for remaining countries refer only to electricity generated by public utilities, whether publicly or privately owned. Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ Revised. West German output estimated from trend for all of Germany from 1936 to 1937 and 1938.

² 1937 data.

³ Denmark, Ireland, Portugal and Turkey.

⁴ Not available.

TABLE A-4.—Coal Production, 1937-38 and 1946-50 ¹

[Millions of metric tons]

Country	Summary by year (quarterly averages)						1948				1949				1950		
	1937	1938	1946	1947	1948	1949	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Total	² 121.6	118.9	84.9	92.0	99.3	108.3	98.5	100.4	97.1	101.0	109.1	106.2	103.9	113.8	114.0	108.4	104.9
Belgium	7.5	7.4	5.7	6.1	6.7	7.0	6.3	6.7	6.5	7.2	7.4	7.2	6.0	7.3	7.3	6.9	6.0
Germany (Fed. Rep.)	² 34.1	34.2	13.5	17.8	21.8	25.8	20.3	20.3	22.8	23.7	25.0	24.4	26.6	27.3	27.8	26.0	27.8
France (including Saar)	14.4	15.2	13.8	13.9	14.0	16.4	15.8	15.0	14.4	10.6	16.9	16.1	15.7	16.8	17.5	16.0	15.6
Netherlands	3.6	3.4	2.1	2.5	2.8	2.9	2.8	2.7	2.7	2.8	2.9	2.8	3.0	3.0	3.1	3.0	3.1
United Kingdom	61.1	57.7	48.3	50.0	52.6	54.6	51.8	54.1	49.2	55.3	55.4	54.1	51.2	57.8	56.7	55.0	51.0
Other ³ .....	.9	1.0	1.6	1.7	1.5	1.6	1.5	1.6	1.4	1.4	1.5	1.6	1.5	1.6	1.6	1.6	1.4

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ Excluding lignite, brown coal, and peat; production in participating countries other than those shown is negligible.

² Revised. West German output estimated from trend for all of Germany from 1936 to 1937.

³ Includes Austria, Ireland, Italy, Norway, Portugal, Sweden and Turkey.

TABLE A-5.—Cement Production, 1937-38 and 1946-50

[Thousands of metric tons]

Country	Summary by year (quarterly averages)						1948				1949				1950		
	1937	1938	1946	1947	1948	1949	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
Total	1 7,779	1 8,507	5,067	5,889	7,749	9,196	6,462	7,810	8,483	8,243	7,442	9,609	10,037	9,697	8,528	11,145	12,063
Belgium	744	750	471	651	834	732	796	884	867	783	576	754	788	806	729	968	1,017
France (including Saar) ²	879	888	843	963	1,344	1,611	1,168	1,403	1,505	1,304	1,400	1,706	1,620	1,719	1,524	1,852	1,918
Italy	1,062	1,098	474	699	783	981	593	753	907	881	700	1,076	1,092	1,058	993	1,321	1,407
United Kingdom ³	1,842	1,959	1,671	1,770	2,166	2,343	2,048	2,198	2,226	2,187	2,189	2,415	2,408	2,349	2,331	2,518	2,592
Germany (Fed. Rep.)	1 2,445	1 2,961	648	750	1,392	2,115	900	1,236	1,634	1,800	1,538	2,161	2,504	2,258	1,748	2,827	3,368
Other ⁴	807	852	960	1,056	1,230	1,413	957	1,336	1,344	1,288	1,039	1,497	1,625	1,507	1,203	1,659	1,753

NOTE.—The figures refer to production of artificial cements (including portland cement) and natural cement unless otherwise noted. Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ Revised. West German output estimated from trend for all of Germany from 1936 to 1937 and 1938.

² Artificial cement only.

³ Portland cement only.

⁴ Austria, Denmark, Netherlands, Portugal, Norway, Sweden and Turkey; production in other participating countries is negligible. Figures for Denmark and Portugal refer to portland cement only; Austria to artificial cement; and Netherlands to portland and blast furnace cement.

TABLE A-6.—Yarn Production in Selected Countries, Prewar and 1946-50

[Thousands of metric tons]

RAYON FILAMENT YARN AND STAPLE FIBER ¹

Country	Summary by year (quarterly average)					1948				1949				1950			
	Prewar		1946	1947	1948	1949	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.	4th Qtr.	1st Qtr.	2d Qtr.	3d Qtr.
	Year	Production															
Total.....		² 86.0	57.3	74.6	93.6	121.0	83.4	89.2	93.6	108.5	120.8	120.3	115.8	127.4	140.6	144.4	³ 147.0
Austria.....	1937	1.1	.5	.8	2.4	3.9	1.0	1.8	3.3	3.7	3.6	3.7	3.7	4.5	6.2	7.5	8.2
Belgium.....	1937-38	1.7	5.1	5.2	5.4	4.7	4.3	5.3	6.0	5.9	5.6	5.2	3.6	4.1	5.3	4.6	5.8
France.....	1937-38	8.6	12.1	14.7	19.1	18.6	18.2	19.9	16.9	21.5	23.7	19.6	14.0	17.3	19.8	20.6	18.2
Germany (Fed. Rep.).....	1937-38	² 25.8	6.0	7.6	17.1	32.0	11.5	13.7	18.9	24.3	30.1	31.6	31.4	35.2	39.9	38.9	40.4
Italy.....	1937-38	30.1	11.1	18.3	16.6	21.7	15.8	15.7	16.7	17.9	20.3	22.4	22.2	21.9	20.9	23.2	25.0
Netherlands.....	1937-38	2.5	2.4	5.1	6.4	7.4	6.2	6.2	6.2	7.1	7.1	7.1	7.5	7.9	7.4	7.9	³ 8.0
United Kingdom.....	1937-38	16.1	20.3	22.9	26.6	32.7	26.4	26.6	25.5	28.0	30.4	30.7	33.2	36.6	41.1	41.6	41.0

WOOL YARN ⁴

Country		1937	1938	1937-38	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Total ⁵		100.8	(⁶)	98.2	109.7	117.7	107.6	109.9	103.5	117.9	117.2	120.3	111.4	121.9	126.5	120.6	³ 117.0		
Austria.....	1937	3.4	(⁶)	1.1	1.8	2.3	1.8	1.9	1.6	2.0	2.0	2.3	2.2	2.8	3.0	2.6	2.4		
Belgium.....	1938	6.5	7.7	10.6	8.5	8.9	9.7	8.8	7.1	8.4	8.1	7.9	9.2	10.4	10.0	9.1	9.9		
France.....	1938	29.5	23.1	29.0	33.2	31.1	33.7	35.0	29.6	34.6	34.1	34.0	27.0	29.2	32.6	32.2	28.0		
Germany (Fed. Rep.).....	1937	² 13.5	5.0	6.8	9.6	16.5	7.8	7.9	10.4	12.2	13.9	15.2	17.1	19.9	20.6	18.4	21.6		
Italy.....	1938	16.2	(⁶)	20.6	21.6	21.8	20.0	21.3	21.0	24.1	22.0	24.6	20.0	20.6	19.4	21.0	20.0		
Netherlands.....	1937-38	2.4	4.4	5.7	6.5	6.8	6.5	6.5	6.2	6.9	6.7	6.5	6.5	7.3	7.3	6.5	5.9		
Sweden.....	1937-38	3.1	4.2	4.2	4.6	4.7	4.5	4.4	4.3	4.9	4.9	4.7	4.4	4.8	4.9	4.4	4.1		
United Kingdom.....	1937	25.4	(⁶)	18.6	22.1	23.6	21.6	22.3	21.3	22.9	23.5	23.0	23.0	24.9	26.5	25.3	24.8		

COTTON YARN ¹

Total ³ -----		² 354.2	(⁶)	245.6	282.4	320.1	274.3	279.5	269.2	307.0	308.0	319.2	307.5	345.8	360.2	336.7	³ 327.0
Austria-----	1937	8.1	1.1	2.2	3.1	4.5	3.1	3.0	2.8	3.4	4.0	4.7	4.5	4.9	4.9	4.5	4.6
Belgium-----	1937-38	18.5	17.3	20.3	20.1	21.1	22.3	21.6	18.4	18.1	20.2	21.5	20.2	22.5	25.0	21.1	25.7
France-----	1938	62.4	42.9	50.9	56.0	56.9	57.6	59.8	51.1	55.4	56.1	61.3	50.6	59.6	65.2	64.6	53.5
Germany (Fed. Rep.)-----	1937	² 66.7	12.0	19.7	29.8	56.8	23.4	24.8	31.7	39.2	46.5	52.3	59.8	68.4	72.6	62.9	69.0
Italy-----	1938	44.7	(⁶)	46.7	48.6	52.2	46.4	47.8	45.2	55.1	54.4	54.2	46.7	53.8	55.0	50.2	48.3
Netherlands-----	1937-38	13.4	7.8	10.3	11.9	13.7	11.4	11.8	11.5	13.0	13.0	13.2	13.5	14.9	15.4	14.5	³ 14.0
Portugal-----	1938	5.2	7.4	7.3	7.9	7.6	7.8	8.0	7.9	7.8	8.0	7.4	6.5	8.5	8.9	9.0	8.8
Sweden-----	1937-38	7.1	6.1	5.7	6.2	6.7	6.2	5.9	5.7	6.8	6.8	6.3	6.2	7.4	7.3	6.9	6.5
United Kingdom-----	1937-38	123.9	75.0	75.2	91.5	93.2	88.3	89.7	87.1	101.4	91.6	90.6	92.4	98.3	98.1	95.2	94.6

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ The figures relate to the weight of filament yarn and staple fiber, excluding waste and the production of synthetic yarns and fibers with a noncellulose base. The United Kingdom figures include also nylon yarn beginning 1941, when nylon production started.

² Revised. West German output estimated from trend for all of Germany from 1936 to 1937 and 1938.

³ Preliminary.

⁴ The figures refer to total weight of pure yarn spun, whether for sale, further processing, or on commission, both carded and combed (worsted), except as follows: France—includes

mixed as well as pure yarn, excludes home manufacture; Italy—includes mixed as well as pure yarn and other yarn produced in wool industry; United Kingdom—deliveries of total weight of worsted yarns; including mixed yarn predominantly of wool.

⁵ Includes Turkey, not shown.

⁶ Not available.

⁷ Figures refer to total weight of pure yarn spun, whether for sale, further processing or on commission except where "other" yarns are combined with pure, as follows: Belgium-Luxembourg—cotton yarn with admixture of artificial fiber; France—yarn spun from cotton waste, shoddy and artificial fibers; Italy—mixed yarn and other yarn produced in cotton industry; Netherlands—mixed cotton yarn with less than 15 percent of other materials and yarn spun from cotton waste.

TABLE A-7.—Volume of Commodity Trade of Participating Countries, 1937-38 and 1947-50

[Measured at 1938 prices, 1938=100]

Period	All participants ¹			Total excluding Germany (Fed. Rep.)	Bel- gium	Den- mark	France ²	Germany (Fed. Rep.)	Italy	Nether- lands	Nor- way	Swe- den	Swit- zerland	Turkey	United King- dom ⁴
	Total	Intra- ERP ²	Rest of world ³												
EXPORTS															
1937.....	108	101	111	108	117	103	94	110	101	106	105	113	92	87	113
1938.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1947.....	70	66	75	83	74	66	83	8	53	44	81	82	115	89	109
1948.....	86	79	92	101	91	72	96	21	80	64	81	90	126	93	138
1949.....	103	95	109	117	97	93	133	40	85	96	84	103	125	120	151
1949:															
1st Qtr.....	100	87	108	114	100	83	127	32	81	85	91	80	112	126	157
2d Qtr.....	101	93	106	114	103	91	137	37	79	83	86	101	120	117	147
3d Qtr.....	98	93	104	110	96	87	120	41	87	96	74	106	124	63	143
4th Qtr.....	114	107	115	127	89	113	148	51	93	122	86	123	143	174	160
1950:															
1st Qtr.....	118	114	116	129	107	103	150	65	90	104	110	114	114	116	171
2d Qtr.....	121	117	118	131	99	113	160	78	99	113	106	128	125	94	165
3d Qtr.....	131	123	128	139	85	127	158	94	(⁵)	142	111	(⁵)	143	(⁵)	175
IMPORTS															
1937.....	103	101	106	106	114	98	111	84	117	103	109	97	106	78	105
1938.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1947.....	85	66	95	93	118	81	105	28	116	78	117	118	147	102	78
1948.....	87	79	94	93	107	83	101	48	109	85	100	106	147	110	81
1949.....	94	95	95	97	101	107	104	73	118	95	116	90	119	125	88
1949:															
1st Qtr.....	89	87	93	94	97	109	106	55	120	95	109	89	121	110	82
2d Qtr.....	95	93	99	99	99	112	108	73	137	93	123	86	112	105	90
3d Qtr.....	93	93	93	96	97	98	98	72	118	90	110	89	107	135	91
4th Qtr.....	98	107	96	99	111	109	102	94	95	100	124	96	135	149	90
1950:															
1st Qtr.....	99	114	94	102	108	136	114	83	128	115	131	96	119	114	86
2d Qtr.....	103	117	99	107	107	125	107	74	130	129	129	112	126	150	95
3d Qtr.....	99	123	92	100	102	142	89	92	(⁵)	122	101	(⁵)	160	(⁵)	86

¹ Excludes Greece; includes United Kingdom reexports.² Metropolitan areas only. The ERP volume index is an average of independently derived import and export volume indexes. Because of the lack of suitable trade and quantum data, Greece was omitted from the total. Since Greece does not have a neutral balance of trade, the compiled total values (in 1938 dollars) of exports and imports of metropolitan countries with each other are not equal, and sometimes do not show identical trends. It should also be noted that exports are valued f. o. b., whereas imports are valued c. i. f. Furthermore, account should be taken also of the differences in normal lag of

reporting of export and import documents. For a complete explanation of the derivation of the indexes of total trade of the participating countries, of intra-ERP trade, and trade with rest of world, see "Trends in the Volume of Foreign Trade" (ECA Special Report, May 1950).

³ Includes trade with colonies.⁴ Exports excluding reexports; retained imports.⁵ Not available.

TABLE A-8.—Combined Foreign Trade of Participating Countries, 1937-38 and 1948-50
[Dollar equivalents, in millions]

Quarter or quarterly average	Grand total	With nonparticipating countries					With participating countries			With participating sterling areas	With non-participating sterling areas
		Total	United States	Canada	Latin America	Other	Total	Metropolitan areas	Overseas territories		
EXPORTS											
1937-----	2,367	1,074	153	42	144	735	1,293	1,086	207		
1938-----	2,166	951	117	39	144	651	1,215	1,035	180	354	219
1948-----	4,164	1,727	233	89	314	1,091	2,437	1,877	560	678	591
1949-----	4,691	1,827	196	93	323	1,215	2,855	2,152	703	750	666
1949:											
1st Qtr-----	4,894	1,971	222	101	353	1,295	2,910	2,148	762	750	750
2d Qtr-----	4,936	1,902	164	104	268	1,366	3,021	2,264	757	845	759
3d Qtr-----	4,712	1,845	168	88	338	1,251	2,861	2,162	699	891	697
4th Qtr-----	4,221	1,586	229	78	334	945	2,629	2,035	594	694	457
1950:											
1st Qtr-----	4,366	1,619	212	88	312	1,007	2,742	2,165	577	667	512
2d Qtr-----	4,475	1,696	222	105	296	1,073	2,773	2,209	564	637	552
3d Qtr-----	4,791	1,872	329	116	312	1,115	2,913	2,368	545	718	600
IMPORTS											
1937-----	3,297	1,845	312	132	303	1,098	1,452	1,122	330		
1938-----	2,937	1,563	333	123	234	873	1,374	1,077	297	327	333
1948-----	6,078	3,386	1,146	290	591	1,359	2,692	1,946	746	785	687
1949-----	6,153	3,198	1,077	264	423	1,434	2,940	2,184	756	783	731
1949:											
1st Qtr-----	6,314	3,316	1,132	234	428	1,522	2,984	2,159	825	832	764
2d Qtr-----	6,699	3,581	1,249	268	419	1,645	3,107	2,272	835	867	813
3d Qtr-----	6,229	3,225	1,037	301	471	1,416	2,986	2,276	710	800	764
4th Qtr-----	5,379	2,677	891	258	371	1,157	2,686	2,033	653	634	585
1950:											
1st Qtr-----	5,620	2,731	829	154	391	1,357	2,884	2,216	668	778	680
2d Qtr-----	5,919	2,844	802	167	482	1,393	3,074	2,310	764	833	687
3d Qtr-----	5,780	2,694	713	175	496	1,310	3,086	2,388	698	808	656

NOTE.—Imports c. i. f.; exports f. o. b. Data were compiled from foreign trade statistics of participating countries, and converted to United States dollars. 1949 figures partially estimated by ECA from incomplete returns. The "Grand total" includes a small amount of trade unallocated by area.

The groups in the above table were established by the Organization for European Economic Cooperation for programming and are defined as follows:

Latin America—Twenty American Republics in Central and South America and excludes overseas territories of European countries. Other nonparticipating includes the nonparticipating sterling area (defined below) and all nonparticipating areas not specified above of which the more important are China, Japan, Spain, U. S. S. R. and

Eastern Europe. Participating Metropolitan: All OEEC countries in Europe and Turkey. Participating overseas territories: All British territories other than those listed below under "nonparticipating sterling"; Belgian Congo, French territories in listed below under "nonparticipating sterling"; Netherlands territories in Western Hemisphere Africa, Asia, Oceania and West Indies; Portuguese territories in Asia and Africa. Participating sterling areas: United Kingdom, Ireland, Iceland, and all British territories other than those listed below under "nonparticipating sterling." Nonparticipating sterling areas: Burma, Ceylon, India, Pakistan, Iraq, Southern Rhodesia, Union of South Africa, Southwest Africa, Australia, New Guinea, New Zealand, New Hebrides, Tonga Islands and Western Samoa.

TABLE A-9.—United States Trade, by Areas, 1938 and 1947-50

[Millions of dollars]

Quarter or quarterly average	Total	Metro- politan areas	Over seas terri- tories ¹	Non- partici- pating sterling areas	Canada	Latin America	Other areas
UNITED STATES EXPORTS							
1938.....	773	294	34	51	117	120	157
1947.....	3,835	1,324	172	299	518	964	558
1948.....	3,163	1,045	155	248	478	790	447
1949.....	3,000	1,018	153	197	485	678	469
1948:							
1st Qtr.....	3,315	1,139	167	228	425	858	498
2d Qtr.....	3,238	1,059	170	263	493	841	412
3d Qtr.....	2,937	966	134	246	485	683	423
4th Qtr.....	3,164	1,018	147	256	511	779	453
1949:							
1st Qtr.....	3,325	1,160	163	229	464	785	524
2d Qtr.....	3,362	1,189	163	247	566	690	507
3d Qtr.....	2,684	843	151	167	470	625	428
4th Qtr.....	2,629	881	134	144	439	613	418
1950:							
1st Qtr.....	2,381	788	119	138	397	600	339
2d Qtr.....	2,511	764	100	156	531	634	326
3d Qtr.....	2,446	583	107	101	506	668	309
UNITED STATES IMPORTS							
1938.....	490	120	47	27	64	113	119
1947.....	1,439	174	140	138	274	537	176
1948.....	1,781	244	160	163	388	582	244
1949.....	1,656	211	143	137	378	576	211
1948:							
1st Qtr.....	1,810	232	186	169	328	650	245
2d Qtr.....	1,710	232	148	173	354	584	219
3d Qtr.....	1,729	234	146	155	410	531	253
4th Qtr.....	1,874	280	162	156	461	572	243
1949:							
1st Qtr.....	1,790	250	169	154	364	626	227
2d Qtr.....	1,601	190	139	142	375	548	207
3d Qtr.....	1,478	175	121	106	341	530	205
4th Qtr.....	1,759	228	145	146	432	599	209
1950:							
1st Qtr.....	1,885	239	174	155	404	682	231
2d Qtr.....	1,928	243	184	167	478	599	257
3d Qtr.....	2,386	324	202	179	502	864	315
TRADE BALANCE							
1938.....	283	174	-13	24	53	7	38
1947.....	2,396	1,150	32	161	244	427	382
1948.....	1,382	801	-5	85	90	208	203
1949.....	1,344	807	10	60	107	102	258
1948:							
1st Qtr.....	1,505	907	-19	59	97	208	253
2d Qtr.....	1,528	827	22	90	139	257	193
3d Qtr.....	1,208	732	-12	91	75	152	170
4th Qtr.....	1,290	738	-15	100	50	207	210
1949:							
1st Qtr.....	1,535	910	-6	75	100	159	297
2d Qtr.....	1,761	999	24	105	191	142	300
3d Qtr.....	1,206	668	30	61	129	95	223
4th Qtr.....	870	653	-11	-2	7	14	209
1950:							
1st Qtr.....	496	549	-55	-17	-7	-82	108
2d Qtr.....	583	521	-84	-11	53	35	69
3d Qtr.....	260	258	-95	-78	4	-196	-6

¹ Excludes Indonesia which is shown with "Other areas."² Includes \$172 million exported as Special Category Commodities for which the destination by country or area is not available.

TABLE A-10.—Gold and Short-Term Dollar Assets of Participating Countries, 1938 and 1947-50
[Millions of dollars]

Country	1938	1947	1948				1949				1950		
	Dec.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
Austria.....	46	10	19	28	28	62	86	86	92	92	93	85	86
Belgium-Luxembourg ¹	828	797	818	825	836	838	874	919	935	912	902	871	816
Denmark.....	60	85	80	71	73	77	76	65	64	70	61	67	67
France ^{1 2}	2,948	775	785	765	760	794	770	768	734	740	725	787	824
Germany.....	219	90	104	84	101	179	188	160	148	149	180	228	1,286
Greece.....	30	49	47	41	28	27	33	33	30	36	35	44	46
Iceland.....	1	5	2	2	2	2	4	4	4	4	4	3	3
Ireland ²	9	38	30	30	30	29	29	29	32	32	32	32	32
Italy ³	213	208	242	268	360	428	499	510	542	560	528	542	567
Netherlands ^{1 2}	1,100	407	359	332	329	332	335	330	373	416	460	511	540
Norway.....	109	128	121	124	134	130	135	121	112	120	129	117	130
Portugal.....	(⁴)	370	335	314	301	291	264	247	232	234	231	227	234
Sweden.....	420	164	150	123	130	130	131	127	132	160	175	184	197
Turkey.....	29	208	201	187	184	180	183	175	174	164	164	162	158
United Kingdom.....	3,885	2,079	2,241	1,920	1,777	1,836	1,912	1,651	1,425	1,688	1,984	2,422	2,756
Subtotal.....	9,897	5,413	5,534	5,114	5,073	5,335	5,519	5,225	5,029	5,377	5,703	6,282	⁶ 6,742
Adjustments ⁵		349	380	412	379	417	358	370	399	377	(⁴)	454	⁷ 685
Total.....	9,897	5,762	5,914	5,526	5,452	5,752	5,877	5,595	5,428	5,754	(⁴)	6,736	7,427
Switzerland.....	920	1,791	1,798	1,855	1,877	1,886	1,913	1,933	1,999	2,021	2,103	2,154	2,133
Grand total.....	10,817	7,553	7,712	7,381	7,329	7,638	7,790	7,528	7,427	7,775	(⁴)	8,890	⁶ 9,560

NOTE.—All figures as of the end of the month.

¹ Includes overseas territories.

² The gold holdings included in these data are those of the Central Bank only.

³ Includes Trieste.

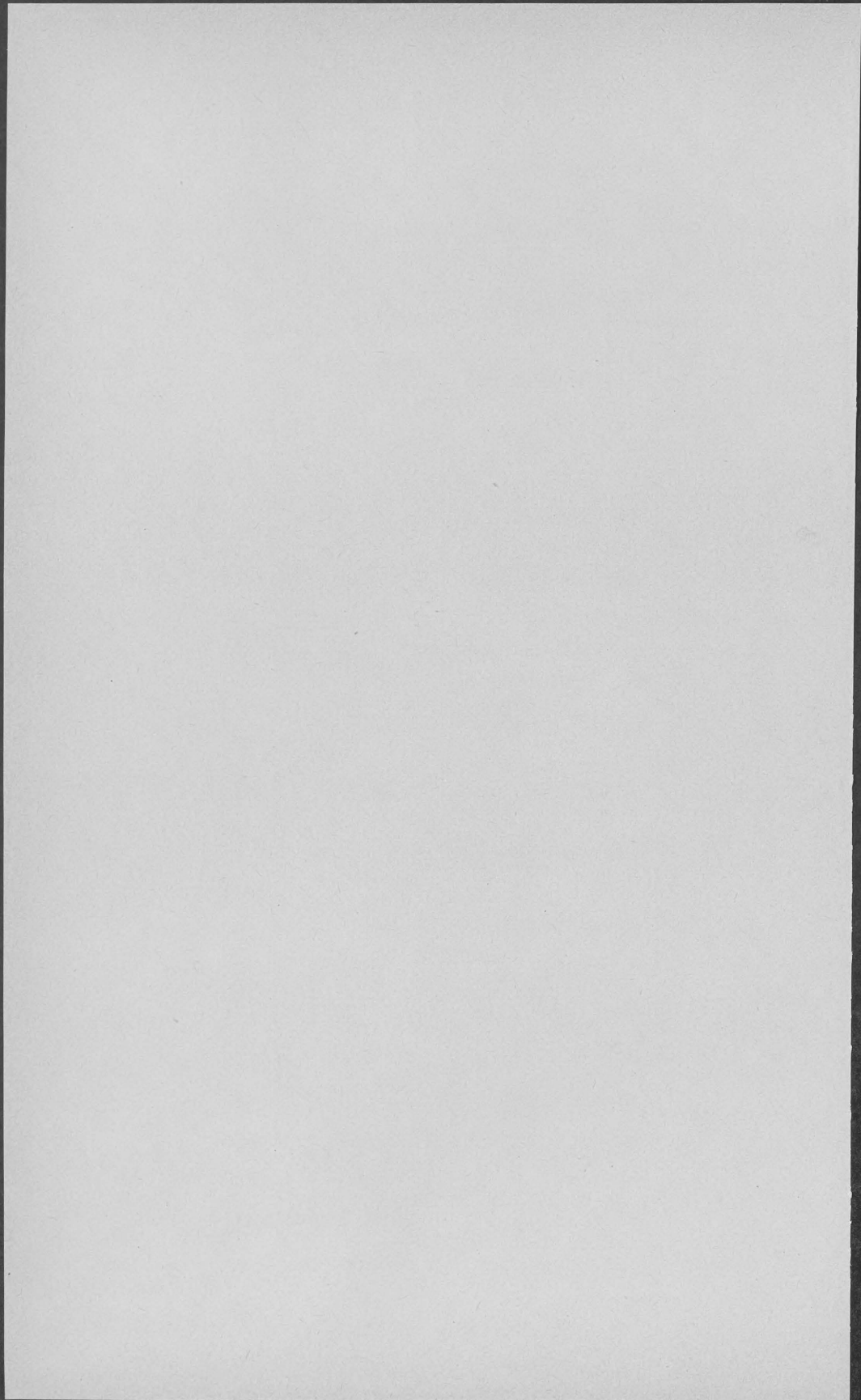
⁴ Not available.

⁵ Adjustments include stabilization fund holdings for France, Netherlands, and private dollar holdings for the United Kingdom; Canadian dollar holdings of United Kingdom are eliminated.

⁶ Preliminary.

⁷ Includes for the first time certain short-term dollar assets for the United Kingdom which, although existing at lower amounts in previous years, were not reported by United States banking institutions until August 1950.

Source: United States Treasury Department and Board of Governors of the Federal Reserve System.



APPENDIX B

ECA-Financed Supply Program for Europe

NOTE.—In appendix B tables overseas territories are reported with mother countries, unless specifically noted otherwise. The Saar is included with France. Totals shown are sums of unrounded figures, and hence may vary slightly from totals of rounded amounts. Commodity groups are based on a special ECA classification which is aligned as closely as possible with the commodity classification used by the Bureau of the Census to report United States exports. The minus figures shown in a few instances for activity in procurement authorizations indicate adjustments caused by changes in price or quantity of goods available, or cancellations—either in whole or in part—of previously approved transactions.

TABLE B-1.—Procurement Authorized During the Quarter July 1–September 30, 1950—Commodities and Services by Recipient Country
[Millions of dollars]

Commodity or service	Total	Recipient country															
		Aus- tria	Bel- gium- Luxem- bourg	Den- mark	France	Ger- many (Fed. Rep.)	Greece	Ice- land	Ire- land	Italy	Nether- lands	Nor- way	Portu- gal	Sweden	Trieste	Turkey	United King- dom
Grand total.....	295.5	7.9	16.0	4.3	33.6	72.1	8.3	0.5	9.9	13.4	23.4	6.8	2.7	1.4	2.5	— .6	93.4
<i>Total commodities</i>	<i>293.4</i>	<i>8.5</i>	<i>16.0</i>	<i>4.3</i>	<i>34.4</i>	<i>69.3</i>	<i>7.9</i>	<i>.5</i>	<i>9.9</i>	<i>16.0</i>	<i>23.2</i>	<i>5.9</i>	<i>2.4</i>	<i>1.4</i>	<i>2.4</i>	<i>— .3</i>	<i>91.6</i>
Food, feed, and fertilizer.....	71.8	5.3	1.1	2.2	10.6	40.3	2.4	.5	1.0	1.0	5.4	.2	2.0				— .3
Bread grains.....	32.2	1.6				20.7	.2	.2	— .1	.7	7.1		2.0				— .1
<i>Wheat</i>	<i>21.4</i>	<i>1.5</i>				<i>20.0</i>			— .1	.7	<i>— .5</i>		<i>— .1</i>				<i>— .1</i>
<i>Wheat flour</i>	<i>.4</i>	<i>.1</i>					.2	.2									
<i>Rye</i>	<i>.7</i>					.7											
<i>Unclassified</i>	<i>9.7</i>																
Fats and oils.....	8.2	— 1.1	.3	1.5		6.7		.1	— .2		7.6		2.0				
Coarse grains.....	24.7	1.2	— .2	.5	12.0	10.0	— .1		1.5		.6	.4					
<i>Corn</i>	<i>10.8</i>	<i>1.2</i>	<i>— .1</i>		<i>12.0</i>				<i>— 2.0</i>		<i>— .1</i>	<i>— .1</i>					
<i>Other</i>	<i>13.9</i>		<i>— .1</i>	<i>.5</i>		<i>10.0</i>	<i>— .1</i>		<i>3.5</i>			<i>— .1</i>					
Sugar and related products.....	6.3	3.6				1.7					— .3						
Meat.....	1.3		— .1				1.4										
Dairy products.....	— 1.8		— .5		— .4	— .2	.9			— .1	— 1.7						
<i>Cheese</i>	<i>.7</i>						.7										
<i>Other and unclassified</i>	<i>— 2.5</i>		<i>— .5</i>		<i>— .4</i>	<i>— .2</i>	.2			<i>— .1</i>	<i>— 1.7</i>						
Feeds and fodder.....	.1			.2				.2	— .2								
Fertilizer.....	— .3					.5	— 1.2				.4						
Fruits and nuts, ex. peanuts.....	1.7		1.3			.6											— .2
Rice.....	.6		2		— .2		.6										
Vegetables and preparations.....	.4		1				.3										
Coffee.....	1.0						1.0										
Fish and products, except fish oil and meal.....	.4		.1		— .1		.4										
Eggs.....	.1					— 1											
Seeds, other than oil seeds.....	— .2				— .3		.2				— .1						
Edible products, n. e. c.....	— 3.1				— .4	.2	— 2.8				— .1						
Fuel.....	31.2	— .2	1.5	— .1	5.3	5.6	1.0			8.4	— .7	1.0		.9	.2	.2	8.0
Petroleum and products.....	33.8	— .2	1.5	— .1	8.0	5.6	1.0			8.4	— .7	1.0		.9	.2	.2	8.0
Coal and related fuels.....	— 2.7				— 2.7												
Raw materials and semifinished products.....	130.5	1.2		2.6	23.2	22.6	2.4		— 1.0	8.2	16.6	.8		— .2	2.2	— .1	52.0
Cotton.....	86.2	1.6	— .9	1.7	28.6	3.2	.2			10.1	9.8				2.2		29.7

TABLE B-2.—Procurement Authorizations, Cumulative, April 3, 1948, through September 30, 1950—Commodities and Services by Recipient Country

[Millions of dollars]

Commodity or service	Total	Recipient country															
		Austria	Belgium-Luxembourg	Denmark	France	Germany (Fed. Rep.)	Greece	Iceland	Ireland	Italy	Netherlands	Norway	Portugal	Sweden	Trieste	Turkey	United Kingdom
Grand total.....	9,796.8	450.3	505.9	213.1	2,043.7	967.6	368.9	15.9	140.6	1,071.5	896.5	202.3	34.1	98.2	29.8	102.9	2,655.5
Total commodities.....	9,090.5	407.6	480.9	209.0	1,778.1	890.1	333.0	15.8	139.6	955.9	873.2	199.9	32.8	98.2	25.0	88.0	2,563.4
Food, feed, and fertilizer	2,806.5	232.7	149.4	66.8	238.5	390.4	173.8	6.0	63.3	217.5	288.4	72.7	14.9		10.9	12.8	868.3
Bread grains.....	1,397.6	112.6	55.8	2.3	79.6	86.9	100.0	1.9	17.0	189.3	137.2	37.0	14.9		7.0	12.8	543.2
Wheat.....	1,123.8	86.2	55.1	1.4	59.4	68.7	80.2		14.6	148.8	100.7	24.4	5.6		4.3	11.3	463.1
Wheat flour.....	242.5	19.5	.8	.2	20.2	14.9	19.8	1.9	2.4	40.5	28.1	9.6	.3		2.7	1.5	80.1
Rye.....	12.3	6.9				3.3					.8	.3	1.0				
Unclassified.....	19.0			.8							7.6	2.7	8.0				
Fats and oils.....	337.0	52.8	22.7	14.8	64.7	94.2	3.0	.7	.2	16.6	46.7	8.7			2.4		9.3
Coarse grains.....	320.8	25.5	6.7	18.6	45.1	123.9	2.6		43.1	3.0	35.6	16.7					
Corn.....	227.2	21.4	3.4	14.9	36.3	73.5	1.5		39.6	3.0	20.6	12.9					
Other.....	93.6	4.0	3.2	3.7	8.9	50.5	1.2		3.5		15.1	3.7					
Sugar and related products.....	269.6	16.2	15.4		12.5	33.1	24.5	.3	.6		29.7	2.8					134.4
Meat.....	123.2	4.4	9.6	.2	1.3	18.5	9.0		.2		4.4				.1		75.6
Dairy products.....	112.9	.4	13.6		11.9	.2	15.3				1.3				1.2		69.0
Cheese.....	73.9		4.9				0.8										68.2
Other and unclassified.....	39.0	.4	8.7		11.9	.2	14.5				1.3				1.2		.8
Feeds and fodder.....	53.4	2.4		28.2	5.6	2.5		2.2			4.9	7.5					.1
Fertilizer.....	45.5	6.5	.7		12.8	5.7	8.5	.6		1.8	7.5						1.6
Fruits and nuts, ex. peanuts.....	34.3	.8	13.5	.3		5.9			.5								13.4
Rice.....	28.4	1.8	1.4	.2	1.6	.5	4.1	.2			18.7						
Vegetables and preparations.....	18.0	3.0	1.1		.1	11.9	1.6		.1		.2						
Coffee.....	17.7	.2	5.6	1.7		4.6	3.8			1.9							
Fish and products, except fish oil and meal.....	16.1		.9				.8		.7	3.0							10.8
Eggs.....	15.9	2.7	.3			2.0											11.0
Seeds, other than oilseeds.....	5.3	1.4	.1	.2	1.1		.3	.1	.4	.9	.8						
Edible products, n. e. c.....	10.6	2.1	2.2	.2	2.2	.5	.3		.5	1.0	1.4				.1		
Fuel.....	1,280.4	27.2	55.9	46.3	458.8	31.2	22.3	1.1	12.5	162.3	71.8	27.2	8.1	50.2	7.6	2.6	295.3
Petroleum and products.....	1,005.3	3.0	53.9	43.4	302.1	31.2	21.7	1.1	12.5	90.4	55.5	27.2	8.1	50.2	7.0	2.6	295.3
Coal and related fuels.....	275.1	24.2	1.9	2.9	156.8		.5			71.8	16.3				.6		
Raw materials and semifinished products.....	2,960.4	82.6	90.0	43.5	593.9	364.9	51.4	1.8	14.6	297.0	309.0	55.3	.8	23.1	5.0	6.1	1,021.4
Cotton.....	1,128.0	29.5	7.8	12.8	298.1	184.0	12.0		.2	214.2	74.4	2.0		2.1	2.2		288.8

Nonferrous metals and prod.....	593.1	9.5	.7	12.3	123.1	35.4	1.7	.1	-----	35.9	46.3	5.0	.2	2.5	.5	.8	319.2
Copper	303.5	5.0	-----	8.6	98.5	19.2	.8	.1	-----	35.5	25.0	2.8	.2	-----	.2	.1	107.6
Aluminum	118.6	-----	.6	.4	.2	-----	.8	-----	-----	4.7	-----	-----	-----	2.3	.1	.6	108.8
Zinc	81.5	1.1	-----	1.9	5.2	4.2	-----	-----	-----	2.9	-----	-----	-----	-----	-----	-----	66.1
Lead	56.8	.7	-----	1.4	6.6	-----	-----	-----	-----	12.0	2.2	-----	-----	-----	-----	-----	33.9
Other, incl. precious metals	32.7	2.8	.1	-----	12.6	11.9	.1	-----	-----	1.7	-----	-----	-----	.2	.2	.1	2.7
Iron and steel mill products, including ferro-alloys.....	272.1	7.6	13.3	12.4	44.7	3.6	13.8	.4	2.3	18.4	62.1	31.5	.2	6.0	.4	2.7	52.6
Chemicals and related prod.....	248.9	13.9	23.5	1.2	64.2	18.7	10.2	.1	.4	13.9	21.4	2.8	.4	4.2	.6	1.7	71.4
Lumber and manufactures.....	127.1	1.1	6.4	.2	5.0	6.0	6.4	-----	4.3	1.0	7.0	.8	-----	-----	.9	.7	87.2
Metallic ores and concen- trates.....	125.3	2.2	18.4	-----	14.8	21.3	-----	-----	-----	1.2	6.7	1.9	-----	.4	-----	-----	58.4
Fabricated basic textiles.....	108.5	.8	3.7	.6	4.9	6.2	.7	.8	2.1	5.2	66.1	7.8	-----	2.3	-----	-----	7.4
Pulp and paper.....	106.8	-----	2.4	-----	6.2	14.5	.6	.4	4.2	.1	.8	-----	-----	-----	-----	-----	77.4
Nonmetallic minerals.....	93.0	2.8	10.6	1.1	19.7	5.3	1.0	.4	.2	.3	5.5	1.1	-----	5.5	-----	.1	39.8
Hides, skins, and leather.....	79.3	7.8	2.3	-----	.3	42.1	4.8	-----	.7	5.3	11.3	.5	-----	-----	.1	-----	4.0
Fibers, n. e. c., fiber products.....	38.0	.7	.7	2.5	12.8	9.2	-----	-----	-----	-----	3.9	1.7	-----	-----	-----	-----	6.3
Naval stores.....	25.5	.1	.3	.3	-----	10.2	-----	-----	.1	1.4	3.6	.3	-----	-----	.2	-----	8.9
Wool, unmanufactured.....	14.8	6.3	-----	-----	-----	8.4	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Machinery and vehicles.....	1,562.3	54.1	161.9	35.9	451.2	34.5	65.8	6.6	13.2	263.3	168.7	28.8	8.9	23.5	1.2	63.6	181.1
Machinery and equipment.....	1,223.3	51.9	70.1	28.7	343.0	28.0	51.4	5.3	9.1	258.0	93.3	26.3	4.6	19.9	1.1	55.9	176.7
Construction and mining equipment.....	184.7	6.1	10.0	1.7	76.5	2.9	10.7	.8	1.0	19.8	5.1	4.8	.8	2.2	.1	14.8	27.4
Metalworking machinery, except machine tools.....	175.4	18.9	10.5	1.0	43.7	2.1	.9	-----	-----	56.6	12.0	.4	-----	.9	-----	-----	28.4
Machine tools.....	113.8	6.0	4.7	1.6	31.7	5.2	1.5	-----	-----	33.4	7.7	1.0	-----	3.2	.7	.7	16.3
Electrical machinery.....	134.5	3.6	11.1	2.8	42.4	.8	11.0	2.3	1.3	32.3	11.3	3.2	1.4	3.4	-----	4.2	3.2
Other industrial equipment.....	405.2	15.0	27.9	14.1	68.4	17.0	18.1	1.3	4.4	104.6	40.6	13.7	2.1	8.1	.1	2.2	67.7
Agricultural machinery, except tractors.....	101.0	.8	1.8	3.4	40.9	-----	3.7	.3	.8	2.3	5.7	.6	.2	.8	-----	17.6	21.8
Tractors, all types.....	108.6	1.3	3.9	4.1	59.5	-----	5.5	.7	1.4	9.0	10.9	2.4	.1	1.1	.2	16.2	12.1
Motor vehicles and parts.....	197.4	1.5	87.4	5.3	19.3	5.7	12.8	.6	4.1	.2	44.6	1.1	.8	3.5	-----	7.3	3.3
Other transportation equip.....	141.6	.7	4.5	1.9	88.8	.8	1.5	.7	-----	5.1	30.8	1.4	3.5	.2	-----	.4	1.1
Miscellaneous and unclassified.....	481.0	11.0	23.6	16.5	35.7	69.1	19.8	.3	35.9	15.7	35.4	15.8	.1	1.4	.4	3.0	197.4
Tobacco.....	369.4	8.3	15.2	14.5	15.0	56.1	-----	-----	34.4	3.4	21.3	14.1	-----	-----	-----	-----	186.9
Miscellaneous iron and steel mfgs.....	17.8	-----	1.9	1.0	2.4	-----	1.9	.1	1.5	1.1	3.5	.3	-----	.3	.1	.6	3.2
Scientific and prof. instr.....	14.7	.8	1.8	.2	2.0	.3	1.8	-----	-----	3.7	1.8	.6	.1	.8	.1	.6	.2
Other.....	79.1	2.0	4.7	.8	16.4	12.7	16.0	.1	.1	7.5	8.6	.8	-----	.3	-----	1.8	7.3
Total services.....	706.4	42.8	24.9	4.0	265.6	77.5	35.9	-----	1.0	115.6	23.3	2.5	1.3	-----	4.8	14.9	92.1
Ocean freight.....	660.6	42.8	23.8	4.0	253.8	76.8	31.9	-----	1.0	108.7	18.6	.9	1.3	-----	4.8	9.4	82.8
Technical services.....	37.6	-----	.1	-----	9.8	.7	3.7	-----	-----	6.9	2.4	1.1	-----	-----	5.5	7.3	
Ship disbursements.....	8.2	-----	1.2	-----	2.0	-----	.3	-----	-----	-----	2.3	.5	-----	-----	-----	2.0	

TABLE B-3.—Authorizations for Procurement of Commodities and Services, by Area of Source, Cumulative, April 3, 1948, through September 30, 1950, and for the Quarter July 1–September 30, 1950

[Millions of dollars]

Commodity or service	Total		Area of source									
			United States		Canada		Latin America		Participating countries		Other countries	
	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950	Cumulative April 3, 1948–Sept. 30, 1950	July 1–Sept. 30, 1950
Grand total.....	2 9,796.8	2 295.5	6,330.1	225.1	1,166.6	11.2	704.4	25.1	444.2	11.0	483.6	23.7
Total commodities.....	2 9,090.5	2 293.4	6,293.6	222.7	1,166.6	11.2	704.4	25.1	443.1	11.0	483.6	23.7
Food, feed, and fertilizer.....	2,806.4	71.8	1,785.5	63.6	601.9	— .4	323.8	8.4	49.5	.4	45.7	— .2
Bread grains.....	1,397.6	32.2	907.0	32.3	490.6	— .1	—	—	—	—	—	—
Wheat.....	1,123.8	21.4	704.6	21.5	419.2	— .1	—	—	—	—	—	—
Wheat flour.....	242.5	.4	172.2	.4	70.3	—	—	—	—	—	—	—
Rye.....	12.3	.7	11.2	.7	1.1	—	—	—	—	—	—	—
Unclassified.....	19.0	9.7	19.0	9.7	—	—	—	—	—	—	—	—
Fats and oils.....	337.0	8.2	269.2	8.2	10.4	—	8.6	—	20.0	—	28.7	—
Coarse grains.....	320.8	24.7	313.3	24.7	7.5	—	—	—	—	—	—	—
Corn.....	227.2	10.8	227.2	10.8	—	—	—	—	—	—	—	—
Other.....	93.7	13.9	86.2	13.9	7.5	—	—	—	—	—	—	—
Sugar and related products.....	269.6	6.3	23.2	—	—	—	235.7	6.3	1.1	—	9.6	—
Meat.....	123.2	1.3	23.4	—	66.3	—	31.5	1.4	1.8	—	.2	—
Dairy products.....	112.9	—1.8	102.4	—2.0	10.0	—	.1	.3	.3	.2	—	—
Cheese.....	73.9	.7	63.5	.5	10.0	—	—	.3	.2	—	—	—
Other and unclassified.....	39.0	—2.5	38.9	—2.5	—	—	.1	—	—	—	—	—
Feeds and fodder.....	53.4	.1	33.3	— .2	2.8	—	12.1	—	1.8	—	3.4	.3
Fertilizer.....	45.5	— .3	16.8	.2	3.3	—	12.0	— .4	10.5	—	3.0	—
Fruits and nuts, except peanuts.....	34.3	1.7	28.8	1.7	.3	—	—	—	5.2	—	—	—
Rice.....	28.4	.6	25.4	.6	—	—	3.0	—	—	—	—	—
Vegetables and preparations.....	18.0	.4	8.9	.3	—	—	.2	.2	8.5	—	.4	—
Coffee.....	17.7	1.0	—	—	—	—	17.7	1.0	—	—	—	—
Fish and products, except oil and meal.....	16.1	.4	6.6	.3	9.4	— .1	—	—	.2	.2	—	—
Eggs.....	15.9	.1	15.9	.1	—	—	—	—	—	—	—	—
Seeds, other than oilseeds.....	5.3	— .2	4.4	—	.8	— .1	—	—	.1	—	—	—
Edible products, n. e. c.....	10.6	—3.1	6.9	—2.6	.5	—	3.0	— .1	—	—	.3	— .4
Fuel.....	1,280.4	31.2	465.7	—5.8	.1	—	110.5	4.7	338.9	9.7	365.1	22.6
Petroleum and products.....	1,005.3	33.8	287.3	—3.3	.1	—	110.5	4.7	254.2	9.8	353.2	22.6
Coal and related fuels.....	275.1	—2.7	178.4	—2.6	—	—	—	—	84.7	— .1	12.0	—

Raw materials and semifinished products.....	2,960.4	130.5	2,067.1	104.2	514.9	12.2	261.3	12.6	45.7	.1	71.5	1.3
Cotton.....	1,128.0	86.2	1,127.7	86.2			.3					
Nonferrous metals and products.....	593.1	16.9	158.3	4.3	280.2	8.6	116.2	4.7	29.5		8.9	-.7
Copper.....	303.5	1.9	96.0	-1.9	89.4	1.5	89.7	2.9	22.9		5.4	-.7
Aluminum.....	118.6	5.2	3.0	-1	115.6	5.3						
Zinc.....	81.5	7.7	34.2	4.4	38.2	1.4	6.8	1.8	.5		1.9	
Lead.....	56.8	.8	2.0		31.9	.8	19.6		2.3		1.0	
Other, including precious metals.....	32.8	1.3	23.1	1.8	5.1	-.5	.1		3.8		.6	
Iron and steel mill products, inc. ferro-alloys.....	272.1	11.6	239.0	11.4	18.0		.7		13.5	.1	.9	.1
Chemicals and related products.....	248.9	-2.2	233.3	-1.7	9.1	-.5	5.4		1.0			
Lumber and manufactures.....	127.1	-.4	63.5	-2.0	59.5	1.5	2.0		.5		1.6	.2
Metallic ores and concentrates.....	125.3	12.2	13.6	1.6	37.6	1.9	72.2	8.6			1.9	
Fabricated basic textiles.....	108.5	-1.0	60.0	-.8	3.0	-.2	.9		.7		43.7	
Pulp and paper.....	106.8	4.6	29.8	4.6	77.0							
Nonmetallic minerals.....	93.0	.7	67.2	-.2	25.5	.9	.2					
Hides, skins, and leather.....	79.3	.6	26.4		4.7		47.8	.6			.3	
Fibers, n. e. c., and fiber products.....	38.0	-.6	8.4	-1.0	.1		15.1	-1.2	.3		14.0	1.6
Naval stores.....	25.5	2.0	25.4	2.0								
Wool, unmanufactured.....	14.8	-.2	14.3	-.2			.4					
Machinery and vehicles.....	1,562.3	9.4	1,520.6	10.2	35.4	-1.1			6.2	.3		
Machinery and equipment.....	1,223.3	-.3	1,190.1	.6	27.4	-1.1			5.7	.3		
Construction and mining equipment.....	184.7	-1.2	183.5	-1.1	.5	-.1			.7			
Metalworking machinery, except machine tools.....	175.4	1.6	175.2	1.6					.2			
Machine tools.....	113.8	-4.8	113.6	-4.6	.2	-.2						
Electrical machinery.....	134.5	5.0	131.1	4.7	.9				2.4	.3		
Other industrial equipment.....	405.2	-2.1	399.6	-2.0	3.4	-.2			2.5			
Agricultural machinery, except tractors.....	101.0	1.7	81.5	2.5	19.5	-.8						
Tractors, all types.....	108.6	.6	105.7	-.5	2.9	.2						
Motor vehicles and parts.....	197.4	10.6	195.9	10.5	1.4	.1						
Other transportation equipment.....	141.6	-.9	134.5	-.9	6.6				.5			
Miscellaneous and unclassified.....	2 481.0	2 50.6	454.9	50.5	14.2	.4	8.9	-.5	2.7	.6	1.3	
Tobacco.....	369.4	54.5	364.2	53.9			4.7		.6	.6		
Miscellaneous iron and steel manufactures.....	17.8	-.4	14.4	-.4	2.4				1.1			
Scientific and professional instruments.....	14.7	-2.9	14.5	-2.9	.1				.2			
Other.....	2 79.0	2 -6	61.8	-.1	11.8	.4	4.2	-.5	.9		1.3	
Total services.....	706.4	2.0	36.5	(3)	(3)	(3)	(3)	(3)	1.1	(3)	(3)	(3)
Ocean freight.....	660.6	-1.3	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Technical services.....	37.6	2.4	36.5	(3)	(3)	(3)	(3)	(3)	1.1	(3)	(3)	(3)
Ship disbursements.....	8.2	1.0	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

¹ Estimated distribution between Latin America and participating countries based on actual source of shipments of petroleum and products as shown in ECA-financed purchases as of August 31, 1950.

² Including unclassified commodity reductions not available by area of source.

³ Not available.

TABLE B-4.—Authorizations for Procurement of Commodities, by Country of Source and Country of Destination, Cumulative, April 3, 1948, through September 30, 1950

[Thousands of dollars]

Area and country of source	Total	Recipient country															
		Austria	Belgium-Luxembourg	Denmark	France	Germany (Fed. Rep.)	Greece	Iceland	Ireland	Italy	Netherlands	Norway	Portugal	Sweden	Trieste	Turkey	United Kingdom
Commodity total.....	9,091,316	407,604	480,977	209,070	1,778,318	890,188	333,021	15,839	139,580	955,984	873,317	199,873	32,773	98,170	25,015	87,977	2,563,611
United States.....	6,293,637	325,539	393,296	145,623	1,317,051	710,225	261,064	13,908	118,159	833,214	674,675	159,024	25,844	56,721	16,388	78,261	1,164,644
Canada.....	1,166,555	8,699	16,217	6,481	58,437	24,076	3,502	1,117	9,847	7,516	24,373	6,850	189	2,984	-----	7,265	989,002
Latin America.....	704,438	27,702	35,954	17,797	137,661	90,898	31,806	300	317	34,942	73,777	9,921	-----	13,947	1,617	-----	227,800
Participating countries.....	443,080	26,971	22,421	30,304	79,709	35,771	15,871	481	9,522	19,961	34,032	19,912	1,993	15,150	525	-----	130,456
Netherlands and overseas territories.....	256,804	1,789	22,421	24,886	4,515	5,125	4,465	481	9,522	1,670	17,372	16,960	1,993	15,150	-----	-----	130,456
<i>Netherlands West Indies</i>	249,380	85	22,421	24,831	4,515	-----	4,423	481	9,522	1,670	17,372	16,960	1,993	15,150	-----	-----	130,456
<i>Netherlands East Indies</i>	4,811	479	-----	555	-----	3,777	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>Netherlands</i>	2,613	1,225	-----	-----	-----	1,347	41	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Germany (Federal Republic).....	79,646	15,610	-----	2,942	37,071	-----	530	-----	-----	13,949	9,544	-----	-----	-----	-----	-----	-----
Belgium and overseas territories.....	57,762	4,005	-----	-----	33,378	10,435	3,209	-----	-----	43	6,691	-----	-----	-----	-----	-----	-----
<i>Belgium</i>	54,803	3,392	-----	-----	33,378	8,090	3,209	-----	-----	43	6,691	-----	-----	-----	-----	-----	-----
<i>Belgian Congo</i>	2,958	613	-----	-----	-----	2,345	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Italy.....	13,890	751	-----	-----	-----	9,912	1,133	-----	-----	-----	-----	1,570	-----	-----	525	-----	-----
Norway.....	6,245	1,216	-----	-----	1,026	4,003	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
United Kingdom and overseas territories.....	5,561	561	-----	223	2,279	533	1,735	-----	-----	209	21	-----	-----	-----	-----	-----	-----
<i>United Kingdom</i>	3,239	404	-----	-----	1,006	533	1,066	-----	-----	209	21	-----	-----	-----	-----	-----	-----
<i>American territories</i>	2,165	-----	-----	223	1,273	-----	669	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>Asiatic & Oceanic territories</i>	157	157	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
France and overseas territories.....	4,174	-----	-----	-----	-----	1,146	3,028	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>France</i>	3,028	-----	-----	-----	-----	-----	3,028	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>French North Africa</i>	1,146	-----	-----	-----	-----	1,146	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Austria.....	4,089	-----	-----	-----	-----	-----	-----	-----	-----	4,089	-----	-----	-----	-----	-----	-----	-----
Turkey.....	3,989	210	-----	-----	-----	2,864	916	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Switzerland.....	3,937	541	-----	1,463	-----	62	85	-----	-----	-----	404	1,382	-----	-----	-----	-----	-----
Portugal and overseas territories.....	3,818	1,351	-----	790	1,440	-----	238	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>Portuguese Africa</i>	3,580	1,351	-----	790	1,440	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<i>Portugal</i>	238	-----	-----	-----	-----	-----	238	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Iceland.....	1,876	183				1,693											
Trieste.....	860	333					527										
Luxembourg.....	428	422					6										
Other countries.....	483,605	18,693	13,089	8,865	185,460	29,218	20,778	34	1,734	60,350	66,459	4,166	4,747	9,368	6,484	2,451	51,709
Middle East oil area ¹	352,339		11,796	770	168,247	19,226	9,646		1,734	54,822	19,168		4,747	9,368	5,671	2,451	44,693
Japan.....	53,315	743		790		171	414			4,300	45,272				25		1,600
Philippines.....	43,275	3,579	280	6,930	13,346	6,785	692	34		1,228	1,119	4,166					5,416
China.....	13,812	64		159	2,729	1,812	8,678				370						
Poland.....	12,489	11,476	1,013														
Eastern Germany.....	2,450	2,450															
Yugoslavia.....	1,694	268					1,425										
Thailand.....	962			6		168										789	
Union of South Africa.....	877	113			763												
Spain.....	824				375						449						
Czechoslovakia.....	440					440											
Syria.....	296					73	222										
Liberia.....	291			210							81						
Australia.....	242					242											
Iran (except petroleum).....	129					129											
Korea.....	100					100											
Ethiopia.....	71					71											
Miscellaneous commodity reductions, unidentified by source.....	-742	-37	-92	-27	-209	-76	-3		-15	-111	-67	-8					-197

¹ Including authorizations for procurement of petroleum and products in Saudi Arabia, Iran, Iraq, Bahrein, Kuwait and Israel.

TABLE B-5.—Paid Shipments, Cumulative, April 3, 1948, through September 30, 1950—Commodities and Services by Recipient Country

[Millions of dollars]

Commodity and service	Total	Recipient country															
		Austria	Belgium-Luxembourg	Denmark	France	Germany (Fed. Rep.)	Greece	Iceland	Ireland	Italy	Netherlands	Norway	Portugal	Sweden	Trieste	Turkey	United Kingdom
Grand total ¹	8,230.9	394.3	444.2	185.0	1,693.3	816.3	272.0	11.6	111.6	807.4	764.8	157.4	15.1	75.8	22.5	64.2	2,395.5
Total commodities	7,635.0	358.3	423.4	182.3	1,454.8	754.6	249.2	11.6	110.8	710.4	747.3	155.8	14.3	75.8	18.9	58.3	2,309.3
Food, feed, and fertilizer	2,657.7	224.5	140.2	62.8	225.7	348.0	157.1	5.4	55.6	212.7	262.9	64.7	12.9		10.7	12.8	861.8
Bread grains	1,353.7	110.9	52.0	2.3	79.6	71.0	99.7	1.7	17.0	188.1	127.2	34.7	12.9		7.0	12.8	536.6
Wheat	1,101.2	84.7	51.2	1.8	59.4	53.6	79.9		14.6	147.7	100.0	24.6	11.5		4.3	11.3	456.5
Wheat flour	241.0	19.4	.8	.6	20.2	14.9	19.8	1.7	2.4	40.4	26.4	9.9	.3		2.7	1.5	80.1
Rye	11.5	6.9				2.5					.8	.3	1.0				
Fats and oils	313.2	52.6	21.5	13.5	64.8	84.4	3.0	.6	.2	15.5	38.8	6.7			2.3		9.3
Coarse grains	284.9	22.8	5.8	18.1	33.1	116.4	2.6		35.4	1.0	33.9	15.9					
Corn	204.1	18.8	3.2	14.9	24.2	73.5	1.5		35.0	1.0	19.2	12.8					
Other	80.8	4.0	2.6	3.2	8.9	42.9	1.2		.4		14.7	3.0					
Sugar and related products	249.0	12.5	14.7		12.4	29.2	19.2	.3	.6		25.0	1.1					
Meat	118.5	4.4	9.4	.2	1.0	18.5	4.9		.2		4.4						133.9
Dairy products	111.0	.4	13.4		11.8	.2	13.8				1.2				1.2		75.5
Cheese	73.4		4.8				.3										68.2
Other	37.7	.4	8.6		11.8	.2	13.4				1.2				1.2		.8
Feeds and fodder	50.0	2.4		26.1	5.5	2.5		1.9			5.2	6.2					
Fertilizer	40.5	6.5	.7		12.8	5.1	6.0	.5		1.3	6.3						1.4
Fruits and nuts, except peanuts	29.4	.8	11.9	.3		2.5											13.4
Rice	26.9	1.8	1.1	.2	1.5	.5	3.0	.2			18.7						
Eggs	16.8	2.7	.3			2.0											11.9
Vegetables and preparations	16.6	3.0	.9		.1	10.8	1.5		.1		.2						
Coffee	16.5	.2	5.6	1.7		4.5	2.6			1.9							
Fish and products, oil and meal	15.6		.7				.4		.7	3.0							10.8
Seeds, other than oilseeds	4.9	1.4	.1	.2	1.1			.1	.4	.9	.7						
Edible products, n. e. c.	10.0	2.1	2.2	.2	2.0	.3	.3		.5	1.0	1.2				.1		
Fuel	1,154.2	26.6	52.0	42.9	426.9	23.2	18.6	1.0	10.4	135.8	58.9	22.6	1.3	45.4	6.8	2.5	279.4
Petroleum and products	878.5	2.4	49.9	40.0	269.6	23.2	18.1	1.0	10.4	63.9	42.6	22.6	1.3	45.4	6.2	2.5	279.4
Coal and related fuels	275.7	24.2	2.1	2.9	157.3		.5			71.8	16.3				.6		

Raw materials and semifinished products.	2,473.3	65.2	78.1	33.6	495.1	300.3	35.8	1.3	12.1	269.9	269.5	42.4	-----	16.9	1.1	2.1	849.7
Cotton	981.9	26.0	5.6	10.7	249.0	172.0	9.9	-----	.2	202.9	64.0	1.4	-----	2.1	-----	-----	238.1
Nonferrous metals and products	516.8	7.5	.7	9.1	109.6	21.0	1.4	-----	-----	25.0	40.5	3.9	-----	2.2	.2	-----	295.9
Copper	256.0	3.7	-----	5.8	86.2	11.0	.6	-----	-----	24.8	20.0	1.8	-----	-----	-----	-----	102.0
Aluminum	109.5	-----	.6	.4	.2	-----	.7	-----	-----	-----	3.9	-----	-----	2.0	-----	-----	101.8
Zinc	70.7	.7	-----	1.5	5.2	2.6	-----	-----	-----	-----	2.9	-----	-----	-----	-----	-----	57.6
Lead	55.6	.7	-----	1.4	6.6	-----	-----	-----	-----	-----	12.0	2.2	-----	-----	-----	-----	52.8
Other, including precious metals	25.0	2.4	.1	.1	11.4	7.2	.1	-----	-----	.2	1.6	-----	-----	.2	-----	-----	1.6
Iron and steel mill products, including ferro-alloys	210.2	4.7	12.0	9.6	30.9	2.7	7.6	.3	2.1	15.1	52.0	25.2	-----	4.6	.3	.7	42.6
Chemicals and related products	196.4	10.8	21.4	.8	53.0	12.7	8.5	-----	.4	13.3	19.1	1.7	-----	2.9	.2	.6	50.8
Fabricated basic textiles	102.6	.8	2.9	.5	4.7	6.1	.5	.6	2.1	5.3	63.7	6.5	-----	1.6	-----	-----	7.4
Lumber and manufactures	92.7	.9	5.6	.1	3.9	3.3	3.0	-----	3.0	1.0	6.1	.6	-----	-----	.3	.7	64.0
Pulp and paper	91.5	-----	2.1	-----	4.5	11.7	.3	.4	3.3	.1	.8	-----	-----	-----	-----	-----	68.3
Metallic ores and concentrates	79.1	1.2	16.6	-----	12.3	8.8	-----	-----	-----	.2	4.2	.9	-----	.3	-----	-----	34.7
Nonmetallic minerals	72.5	1.3	8.8	.8	15.1	3.4	.6	-----	.2	.3	4.5	.4	-----	3.2	-----	-----	33.9
Hides, skins, and leather	67.6	6.5	1.6	-----	.3	37.6	4.0	-----	.7	5.3	8.6	.2	-----	-----	-----	-----	2.8
Fibers, n. e. c., and fiber products	29.5	.3	.6	1.9	11.8	6.9	-----	-----	-----	-----	2.6	1.3	-----	-----	-----	-----	4.0
Naval stores	19.7	.1	.3	.2	-----	6.6	-----	-----	.1	1.4	3.4	.2	-----	-----	.1	-----	7.3
Wool, unmanufactured	12.8	5.2	-----	-----	-----	7.6	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Machinery and vehicles	969.4	33.7	135.1	28.0	280.2	23.1	30.9	3.7	9.0	85.1	129.3	15.0	.2	12.7	.1	40.1	143.1
Machinery and equipment	698.5	32.0	53.1	21.8	199.2	16.8	20.3	2.5	5.7	81.8	63.5	13.0	.1	10.7	.1	38.1	139.9
Construction and mining equipment	113.8	4.2	6.3	1.2	47.7	1.4	4.0	.4	.7	8.7	4.3	1.8	-----	1.1	-----	7.4	24.6
Metalworking machinery excluding machine tools	90.4	14.3	7.6	.8	25.4	.4	.8	-----	-----	11.9	3.7	.2	-----	.5	-----	-----	25.2
Machine tools	65.0	4.1	3.8	1.4	14.6	3.6	.6	-----	-----	16.7	6.8	.9	-----	2.7	-----	.3	9.6
Electrical machinery	60.3	2.9	7.6	2.0	22.7	.6	4.0	.4	1.2	6.4	5.7	1.2	.1	1.7	-----	1.3	2.5
Other industrial equipment	221.5	5.4	23.3	10.0	31.4	10.8	8.8	1.0	2.5	36.0	28.6	6.5	-----	3.6	-----	.1	53.4
Agricultural machinery, excluding tractors	68.7	.5	1.5	3.1	26.4	-----	1.1	.2	.7	.4	4.5	.4	-----	.6	-----	14.5	14.9
Tractors all types	78.7	.5	3.0	3.3	31.0	-----	1.5	.5	.6	1.6	3.8	.0	-----	.5	.1	14.6	9.6
Motor vehicles and parts	164.2	1.0	79.1	4.4	12.9	5.6	10.0	.5	3.3	.1	40.1	.9	-----	2.0	-----	2.0	2.4
Other transportation equipment	106.8	.6	2.9	1.8	68.2	.8	.7	.6	-----	3.2	25.8	1.2	-----	-----	-----	-----	.9
Miscellaneous and unclassified	380.4	8.4	18.0	15.0	26.9	59.9	6.7	.2	23.7	6.8	26.7	11.2	-----	.8	.1	.6	175.3
Tobacco	318.0	6.9	12.2	13.1	12.8	52.3	-----	-----	22.4	3.4	16.1	10.5	-----	-----	-----	-----	168.2
Miscellaneous iron and steel manufactures	12.0	-----	1.4	1.0	1.0	-----	1.6	.1	1.2	.1	2.8	.2	-----	.2	.1	.2	2.1
Scientific and professional instruments	7.3	.3	1.3	.2	.9	.1	1.1	-----	-----	1.3	1.4	.4	-----	.2	-----	.1	.1
Other	43.1	1.2	3.0	.7	12.2	7.5	4.1	.1	-----	2.1	6.4	.2	-----	.3	-----	.3	4.9
Total services	595.9	35.9	20.8	2.7	238.5	61.7	22.8	-----	.8	97.0	17.6	1.7	.8	-----	3.6	5.9	86.2
Ocean freight	576.5	35.9	19.9	2.7	234.4	61.7	22.6	-----	.8	95.4	15.8	.5	.8	-----	3.6	4.2	78.1
Technical services	14.0	-----	.1	-----	2.8	-----	.1	-----	-----	1.6	.1	1.1	-----	-----	1.7	-----	6.5
Ship disbursements	5.4	-----	.8	-----	1.3	-----	.1	-----	-----	-----	1.7	-----	-----	-----	-----	-----	1.6

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment.

TABLE B-6.—Paid Shipments, Cumulative, April 3, 1948, through September 30, 1950—
Commodities and Services by Area of Source

[Millions of dollars]

Commodity or service	Total	Area of source				
		United States	Canada	Latin America	Participating countries	Other countries
Grand total ¹	8,230.9					
Total commodities ²	7,635.0	5,070.0	1,103.6	620.6	416.6	424.9
Food, feed, and fertilizer.....	2,657.7	1,664.8	603.0	304.1	45.1	40.6
Bread grains.....	1,353.7	862.9	490.8			
Wheat.....	1,101.2	681.9	419.3			
Wheat flour.....	241.0	170.6	70.4			
Rye.....	11.5	10.4	1.1			
Fats and oils.....	313.2	245.5	10.1	9.5	19.3	28.8
Coarse grains.....	284.9	277.5	7.4			
Corn.....	204.1	204.1				
Other.....	80.8	73.4	7.4			
Sugar and related products.....	249.0	21.5		220.7	1.1	5.7
Meat.....	118.5	21.9	67.5	27.2	1.8	.2
Dairy products.....	111.0	100.6	10.0	.1	.3	
Cheese.....	73.4	63.0	10.0		.3	
Other.....	37.6	37.6		.1		
Feeds and fodder.....	50.0	30.6	2.8	12.1	1.9	2.6
Fertilizer.....	40.5	12.1	3.4	12.0	10.5	2.6
Fruits and nuts, except peanuts.....	29.4	26.6	.3		2.5	
Rice.....	26.9	23.9		3.0		
Vegetables and preparations.....	16.6	8.4	.1	.3	7.4	.4
Eggs.....	16.8	16.8				
Coffee.....	16.5			16.4		
Fish and products, except fish oil and meal.....	15.6	6.0	9.4		.2	
Seeds, other than oilseeds.....	4.9	4.1	.8		.1	
Edible products, n. e. c.....	9.9	6.3	.5	2.9		.3
Fuel.....	1,154.2	416.5	.1	97.3	320.1	320.3
Petroleum and products.....	878.5	237.6		97.3	235.3	308.2
Coal and related fuels.....	275.7	178.9	.1		84.7	12.1
Raw materials and semifinished products.....	2,473.3	1,693.5	460.3	210.4	45.7	63.4
Cotton.....	981.9	981.6		.3		
Nonferrous metals and products.....	516.8	112.1	267.4	102.9	29.6	4.8
Copper.....	256.0	66.9	87.2	77.7	22.9	1.3
Aluminum.....	109.5	2.1	107.4			
Zinc.....	70.7	25.1	37.7	5.6	.5	1.9
Lead.....	55.6	2.0	30.8	19.6	2.3	1.0
Other, including precious metals.....	25.0	16.0	4.3	.1	3.9	.6
Iron and steel mill products, including ferro-alloys.....	210.2	180.4	16.0	.3	13.2	.3
Chemicals and related products.....	196.4	183.8	6.3	5.1	1.1	.1
Fabricated basic textiles.....	102.6	53.5	2.5	1.1	.7	44.8
Pulp and paper.....	91.5	17.6	73.9			
Lumber and manufactures.....	92.7	40.3	49.4	1.3	.6	1.1
Hides, skins, and leather.....	67.6	20.9	4.4	41.9		.4
Metallic ores and concentrates.....	79.1	9.9	22.6	45.0		1.5
Nonmetallic minerals.....	72.5	54.6	17.7	.2		
Fibers, n. e. c., and fiber products.....	29.5	6.4	.1	12.3	.4	10.3
Naval stores.....	19.7	19.7				
Wool, unmanufactured.....	12.8	12.8				

See footnotes at end of table.

TABLE B-6.—Paid Shipments, Cumulative, April 3, 1948, through September 30, 1950—
Commodities and Services by Area of Source—Continued

[Millions of dollars]

Commodity or service	Total	Area of source				
		United States	Canada	Latin America	Participating countries	Other countries
Machinery and vehicles.....	969.4	934.7	30.9		3.7	
Machinery and equipment.....	698.5	671.6	23.2		3.6	
<i>Construction and mining equipment</i>	113.8	112.7	.4		.7	
<i>Metalworking machinery, except machine tools</i>	90.4	90.2			.2	
<i>Machine tools</i>	65.0	64.8	.1			
<i>Electrical machinery</i>	71.8	69.0	.8		2.0	
<i>Other industrial machinery</i>	210.0	207.0	2.4		.6	
<i>Agricultural machinery, except tractors</i>	68.7	51.7	17.0			
<i>Tractors, all types</i>	78.7	76.3	2.4			
Motor vehicles and parts.....	164.2	162.9	1.3			
Other transportation equipment.....	106.7	100.3	6.4			
Miscellaneous and unclassified.....	² 380.4	360.4	9.3	8.8	2.0	0.6
Tobacco.....	318.0	312.8		4.7	.6	
Miscellaneous iron and steel manufactures.....	12.0	9.2	1.6		1.1	
Scientific and professional instruments.....	7.3	7.1	.1		.1	
Other.....	² 43.1	31.2	7.6	4.2	.2	.6
Total services.....	595.9	(3)	(3)	(3)	(3)	(3)
Ocean freight.....	576.5	(3)	(3)	(3)	(3)	(3)
Technical services.....	14.0	12.9			1.1	
Ship disbursements.....	5.4	(3)	(3)	(3)	(3)	(3)

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment.

² Including refunds totaling \$0.7 million for unclassified commodities.

³ Not available.

TABLE B-7.—Paid Shipments for Commodities, by Country of Source, and Country of Destination, Cumulative, April 3, 1948, through September 30, 1950
[Thousands of dollars]

Area and country of source	Total	Recipient countries															
		Austria	Belgium-Luxembourg	Denmark	France	Germany (Fed. Rep.)	Greece	Iceland	Ireland	Italy	Netherlands	Norway	Portugal	Sweden	Trieste	Turkey	United Kingdom
Commodity total ¹	7,635,044	358,346	423,444	182,291	1,454,851	754,581	249,177	11,559	110,766	710,388	747,263	155,843	14,302	75,776	18,854	58,256	2,309,346
United States.....	5,070,013	285,421	341,458	123,260	1,023,609	609,382	189,832	9,736	91,763	618,522	569,316	121,408	13,215	38,877	11,672	49,501	973,043
Canada.....	1,103,635	6,964	14,418	6,269	50,086	19,125	2,110	1,099	8,935	5,045	21,416	6,020	80	2,375	-----	6,771	952,923
Latin America.....	620,614	22,302	34,578	16,883	128,593	71,740	24,797	259	274	27,169	63,658	7,606	-----	12,294	1,272	-----	209,188
Cuba.....	161,964	11,072	11,674	-----	12,578	11,654	9,185	213	171	94	24,252	1,779	-----	-----	-----	-----	79,292
Venezuela.....	94,389	-----	5,548	3,136	48,632	6,111	-----	46	103	6,419	523	2,873	-----	9,298	810	-----	10,889
Chile.....	92,735	940	699	1,164	44,482	3,806	1,851	-----	-----	12,649	3,349	554	-----	-----	75	-----	23,165
Mexico.....	67,794	1,887	2,922	3,155	12,141	12,590	3,156	-----	-----	742	13,633	2,180	-----	837	99	-----	14,454
Brazil.....	42,283	1,297	144	7,224	1,080	15,165	5,349	-----	-----	4,230	7,580	204	-----	-----	9	-----	-----
Dominican Republic.....	40,633	-----	37	-----	845	516	-----	-----	-----	-----	486	4	-----	-----	-----	-----	38,743
Bolivia.....	28,616	-----	933	-----	2,200	1,821	499	-----	-----	52	293	-----	-----	-----	-----	-----	22,818
Argentina.....	17,921	3,568	367	109	16	12,244	1,131	-----	-----	9	467	10	-----	-----	-----	-----	-----
Peru.....	16,955	299	5,818	813	3,581	1,123	1,149	-----	-----	540	3,383	-----	-----	-----	-----	-----	249
Uruguay.....	14,417	1,022	61	746	-----	4,386	2,160	-----	-----	1,297	4,747	-----	-----	-----	-----	-----	-----
Colombia.....	5,631	-----	20	33	180	377	23	-----	-----	427	942	-----	-----	2,159	270	-----	1,200
Paraguay.....	5,021	299	97	400	127	935	136	-----	-----	35	2,992	-----	-----	-----	-----	-----	-----
Haiti.....	4,697	-----	4,233	86	298	16	-----	-----	-----	62	4	-----	-----	-----	-----	-----	-----
Nicaragua.....	3,032	300	49	-----	2,130	339	-----	-----	-----	-----	213	-----	-----	-----	-----	-----	-----
Ecuador.....	2,038	10	971	-----	164	22	-----	-----	-----	587	285	-----	-----	-----	-----	-----	-----
Guatemala.....	1,262	38	571	-----	140	380	30	-----	-----	6	97	-----	-----	-----	-----	-----	-----
El Salvador.....	736	696	24	16	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Panama.....	699	9	9	-----	-----	235	124	-----	-----	21	301	-----	-----	-----	-----	-----	-----
Costa Rica.....	231	-----	219	-----	-----	4	-----	-----	-----	-----	-----	-----	-----	-----	9	-----	-----
Honduras.....	132	4	-----	-----	-----	16	-----	-----	-----	-----	111	-----	-----	-----	-----	-----	-----
Latin America undistributed.....	19,426	861	181	-----	-----	-----	4	-----	-----	-----	-----	-----	-----	-----	-----	-----	18,379
Participating countries.....	416,564	25,867	20,419	28,260	80,378	31,987	14,777	432	8,982	18,995	31,415	17,008	345	13,838	525	-----	123,338
Netherlands and overseas territories.....	237,519	1,704	20,391	23,215	5,062	5,126	3,958	432	8,982	935	14,755	15,438	345	13,838	-----	-----	123,338
<i>Netherlands West Indies.....</i>	<i>230,145</i>	<i>70</i>	<i>20,391</i>	<i>22,661</i>	<i>5,062</i>	<i>-----</i>	<i>3,899</i>	<i>432</i>	<i>8,982</i>	<i>935</i>	<i>14,755</i>	<i>15,438</i>	<i>345</i>	<i>13,838</i>	<i>-----</i>	<i>-----</i>	<i>123,338</i>
<i>Netherlands East Indies.....</i>	<i>4,812</i>	<i>478</i>	<i>-----</i>	<i>555</i>	<i>-----</i>	<i>3,779</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>
<i>Netherlands.....</i>	<i>2,561</i>	<i>1,156</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>1,347</i>	<i>59</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>
Germany (Federal Republic).....	80,655	15,820	-----	2,942	37,281	-----	530	-----	-----	14,538	9,544	-----	-----	-----	-----	-----	-----
Belgium and overseas territories.....	56,041	2,741	-----	-----	32,972	10,435	3,159	-----	-----	43	6,691	-----	-----	-----	-----	-----	-----
<i>Belgium.....</i>	<i>52,646</i>	<i>2,128</i>	<i>-----</i>	<i>-----</i>	<i>32,578</i>	<i>8,090</i>	<i>3,159</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>6,691</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>
<i>Belgian Congo.....</i>	<i>3,395</i>	<i>613</i>	<i>-----</i>	<i>-----</i>	<i>394</i>	<i>2,345</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>43</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>

Italy.....	10,654	1,299				6,112	1,133			15		1,570			525		
Norway.....	6,245	1,216			1,026	4,003											
United Kingdom and overseas territories.....	5,206	521		255	2,597	533	1,070			209	21						
<i>United Kingdom.....</i>	<i>3,243</i>	<i>404</i>			<i>1,006</i>	<i>533</i>	<i>1,070</i>			<i>209</i>	<i>21</i>						
<i>American territories.....</i>	<i>1,846</i>			<i>255</i>	<i>1,591</i>												
<i>Asiatic and Oceanic territories.....</i>	<i>117</i>	<i>117</i>															
France and overseas territories.....	4,430	223	17			1,146	3,044										
<i>France.....</i>	<i>3,267</i>	<i>223</i>					<i>3,044</i>										
<i>French North Africa.....</i>	<i>1,146</i>					<i>1,146</i>											
<i>Other territories.....</i>	<i>17</i>		17														
Turkey.....	4,014	210	11			2,878	916										
Austria.....	3,254								3,254								
Portugal and overseas territories.....	3,124	655		790	1,440		239										
<i>Portuguese Africa.....</i>	<i>2,884</i>	<i>655</i>		<i>790</i>	<i>1,440</i>												
<i>Portugal.....</i>	<i>239</i>						<i>239</i>										
Switzerland.....	2,041	436		1,058		62	82			403							
Iceland.....	1,876	183				1,693											
Trieste.....	925	333					592										
Luxembourg.....	582	527					55										
Other countries.....	424,878	17,792	12,572	7,619	172,184	23,007	17,661	34	814	40,657	61,459	3,801	662	8,391	5,385	1,983	50,857
Middle East oil area ²	307,391		11,156	710	155,438	13,799	11,362		814	39,037	13,417		662	8,391	5,053	1,983	45,570
Japan.....	49,414	142		300	131	175	396			351	46,320						1,600
Philippines.....	39,185	3,579	280	6,235	12,735	6,380	392	34		1,228	835	3,801					3,687
Poland.....	12,569	11,433	1,136														
China.....	9,616	64		159	2,736	1,588	4,683				384	1					
Eastern Germany.....	2,193	2,153								40							
Union of South Africa.....	877	113			763												
Yugoslavia.....	874	268					606										
Spain.....	824				381	20					423						
Thailand.....	475		6			137									332		
Czechoslovakia.....	440					440											
Syria.....	296					73	222										
Liberia.....	291		210								81						
Australia.....	146					146											
Iran (except petroleum).....	129					129											
Ethiopia.....	71					71											
Korea.....	49					49											
Ceylon.....	40	40															
Miscellaneous commodity refunds, unidentified by source.....	-660					-660											

¹ ECA expenditures supplemented by movement reports from U. S. Government agencies; total paid shipments are less than actual movements because of the time required for receipt and processing of documents requesting payment. Paid shipments for commodities only, excluding services.

² Including paid shipments for petroleum and products from Saudi Arabia, Iran, Iraq, Bahrain, Kuwait and Israel.

TABLE B-8.—GARIOA ¹ Program Procurement Authorizations for Germany (Federal Republic) by Commodity Group and Source Country—Cumulative, December 22, 1949–September 30, 1950

[Thousands of dollars]

Commodity group	Total	Country of source			
		United States	Latin America	China (Formosa)	Philippines
Grand total.....	\$181, 154	\$148, 438	\$10, 641	\$10, 000	\$75
Food and agricultural commodities.....	169, 154	148, 438	10, 641	10, 000	75
Ocean freight.....	12, 000	(²)	(²)	(²)	(²)
<i>Commodity detail</i>					
Food, feed, and fertilizer.....	110, 547	90, 116	10, 431	10, 000	
Bread grains.....	46, 892	46, 892			
Wheat.....	44, 224	44, 224			
Rye.....	2, 668	2, 668			
Fats and oils.....	23, 797	23, 797			
Lard.....	9, 128	9, 128			
Soybean oil.....	6, 534	6, 534			
Whale oil and fish oils.....	648	648			
Tallow.....	510	510			
Vegetable oils and fats, n. e. c.....	4, 082	4, 082			
Soybeans.....	2, 895	2, 895			
Sugar and related products.....	20, 431		10, 431	10, 000	
Coarse grains, corn.....	³ 16, 990	³ 16, 990			
Fruits and nuts, except peanuts.....	1, 450	1, 450			
Seeds, other than oilseeds.....	987	987			
Raw materials and semifinished products.....	54, 955	54, 670	210		75
Cotton.....	53, 160	53, 160			
Raw cotton, except linters.....	51, 700	51, 700			
Cotton linters.....	1, 460	1, 460			
Animal hairs, except wool.....	1, 255	1, 255			
Naval stores.....	330	255			75
Vegetable fibers, except cotton.....	210		210		
Miscellaneous and unclassified.....	3, 652	3, 652			
Tobacco.....	3, 652	3, 652			

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ Government and Relief in Occupied Areas.

² Not available.

³ Including \$12.2 million authorizations for corn and corn starches actually shipped to the United Kingdom as a replacement for an equivalent value of rye supplied by the United Kingdom of Germany.

TABLE B-9.—GARIOA Program ¹ Paid Shipments to Germany (Federal Republic) by Commodity Group and Country of Source Cumulative, December 22, 1949–September 30, 1950

[Thousands of dollars]

Commodity group	Total	Country of source						
		United States	Latin America					Philippines
			Total	Cuba	Haiti	Brazil	Mexico	
Grand total.....	\$142, 191	\$117, 534	\$17, 837	\$17, 781	\$44	\$6	\$5	\$23
Food and agricultural commodities.....	135, 394	117, 534	17, 837	17, 781	44	6	5	23
Ocean freight.....	6, 797	(2)	(2)	(2)	(2)	(2)	(2)	(2)
<i>Commodity detail</i>								
Food, feed, and fertilizer.....	102, 671	84, 846	17, 825	17, 781	44			
Bread grains.....	45, 944	45, 944						
Wheat.....	43, 276	43, 276						
Rye.....	2, 668	2, 668						
Fats and oils.....	20, 417	20, 417						
Lard.....	8, 902	8, 902						
Soybean oil.....	5, 406	5, 406						
Whale oil and fish oils.....	527	527						
Tallow.....	182	182						
Vegetable oils and fats, n. e. c.....	4, 082	4, 082						
Soybeans.....	1, 319	1, 319						
Sugar, raw and refined.....	17, 825		17, 825	17, 781	44			
Coarse grains—corn.....	³ 16, 994	³ 16, 994						
Fruit and nuts, except peanuts.....	835	835						
Seeds, other than oilseeds.....	655	655						
Raw materials and semifinished products.....	29, 885	29, 850	12			6	5	23
Cotton.....	29, 626	29, 626						
Raw cotton, except linters.....	28, 846	28, 846						
Cotton linters.....	780	780						
Naval stores.....	178	155						23
Animal hairs, except wool.....	69	69						
Vegetable fibers, except cotton.....	12		12			6	5	
Miscellaneous and unclassified.....	2, 838	2, 838						
Tobacco.....	2, 838	2, 838						

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of rounded amounts.

¹ Government and Relief in Occupied Areas.

² Not available.

³ Including \$12.2 million in corn and corn starches actually shipped to the United Kingdom as a replacement for an equivalent value of rye supplied by the United Kingdom to Germany.

TABLE B-10.—Technical Assistance Authorizations by Field of Activity, Recipient Country, and Type of Assistance, Cumulative through September 30, 1950
[Thousands of dollars]

Recipient country and type of assistance	Total authorizations	Field of activity								
		Industrial productivity	Agricultural productivity	Manpower utilization	Public administration	Transportation and communication	Marketing	Development of overseas territories	Tourism	Program management
Total, all countries.....	17, 416. 4	7, 345. 1	2, 677. 0	2, 186. 0	1, 700. 3	1, 620. 4	344. 8	232. 4	164. 2	1, 146. 4
U. S. experts.....	6, 804. 8	2, 530. 5	910. 9	330. 0	1, 513. 3	1, 076. 1	223. 0	144. 8	76. 1	
Foreign experts.....	5, 781. 7	2, 209. 9	1, 123. 4	364. 8	186. 0	511. 5	121. 6	30. 1	88. 1	1, 146. 4
Technical materials.....	2, 373. 4	2, 147. 1	224. 6	. 4	. 9	. 3	. 1			
Basic surveys.....	1, 149. 2	150. 4	418. 0	490. 8		32. 5		57. 5		
Services of international organizations.....	1, 000. 0			1, 000. 0						
Services of U. S. Gov't. agencies, n.e.c.....	307. 3	307. 3								
Greece.....	6, 069. 0	2, 290. 6	805. 0	371. 0	1, 391. 6	893. 7	228. 3		33. 0	55. 7
U. S. experts.....	5, 185. 2	2, 002. 1	500. 7	330. 0	1, 308. 0	802. 6	208. 8		33. 0	
Foreign experts.....	329. 3	13. 5	57. 3	41. 0	83. 7	58. 6	19. 5			55. 7
Technical materials.....	275. 0	275. 0								
Basic surveys.....	279. 5		247. 0			32. 5				
United Kingdom.....	2, 356. 4	2, 048. 5	65. 6	11. 6	1. 6	6. 8	15. 0	105. 8		101. 7
U. S. experts.....	83. 4		2. 2				6. 6	74. 6		
Foreign experts.....	1, 498. 1	1, 320. 6	45. 1	11. 6	1. 6	6. 8	8. 4	2. 4		101. 7
Technical materials.....	740. 7	722. 5	18. 2							
Basic surveys.....	34. 2	5. 4						28. 8		
O. E. E. C.....	1, 717. 6	129. 1	216. 0	1, 056. 1		151. 2	3. 6		70. 0	91. 6
U. S. experts.....	34. 9	2. 7	28. 6				3. 6			
Foreign experts.....	682. 7	126. 5	187. 4	56. 1		151. 2			70. 0	91. 6
Services of int'l organizations.....	1, 000. 0			1, 000. 0						
France.....	1, 702. 3	1, 120. 7	149. 4	49. 7			23. 5	21. 3		337. 6
U. S. experts.....	45. 0	45. 0								
Foreign experts.....	956. 3	374. 7	149. 4	49. 7						
Technical materials.....	405. 8	405. 8					23. 5	21. 3		337. 6
Services of U. S. Gov't agencies.....	295. 3	295. 3								
Turkey.....	1, 687. 6	415. 2	640. 0		148. 5	390. 6			8. 5	84. 8
U. S. experts.....	1, 000. 3	374. 6	308. 4		115. 3	193. 5			8. 5	
Foreign experts.....	516. 3	40. 6	160. 6		33. 2	197. 2				84. 8
Basic surveys.....	171. 0		171. 0							
Italy.....	878. 7	79. 8	98. 3	456. 4	99. 0	22. 6	5. 2		5. 6	111. 8
U. S. experts.....	135. 1		39. 5		90. 0				5. 6	
Foreign experts.....	234. 1	6. 1	58. 7	20. 6	9. 0	22. 6	5. 2			111. 8
Technical materials.....	73. 7	73. 7								
Basic surveys.....	435. 8			435. 8						

Denmark	571.1	245.6	243.0	5.5	2.6	9.4	10.2	3.6		51.2
U. S. experts	3.6							3.6		
Foreign experts	242.5	45.6	118.0	5.5	2.6	9.4	10.2			51.2
Technical materials	325.0	200.0	125.0							
Germany (Fed. Rep.)	402.4	52.7	96.9	55.0	21.8	80.0				96.0
U. S. experts	103.6		23.6			80.0				
Foreign experts	231.5	52.7	61.0		21.8					96.0
Technical materials	12.3		12.3							
Basic surveys	55.0			55.0						
Austria	385.6	280.9	32.6	31.1	.9	.3	4.1			35.7
U. S. experts	16.8	12.7					4.1			
Foreign experts	98.8	15.2	17.2	30.8						35.7
Technical materials	270.0	253.0	15.4	.4	.9	.3				
Norway	344.3	223.6	70.0	4.5		4.0				42.2
U. S. experts	15.6	15.6								
Foreign experts	127.3	59.7	16.8	4.5		4.0				42.2
Technical materials	201.5	148.3	53.2							
Ireland	281.9	171.5	42.2		5.8	2.9	.1		47.1	12.5
U. S. experts	91.0	62.0							29.0	
Foreign experts	82.9	1.6	42.2		5.8	2.9			18.1	12.5
Technical materials	8.0	7.9					.1			
Basic surveys	100.0	100.0								
Netherlands	221.2	38.6	75.4	14.4	3.0			6.3		83.7
U. S. experts	4.4	4.4						6.3		
Foreign experts	216.8	34.1	75.4	14.4	3.0					83.7
Belgium-Luxembourg	178.6	88.8	8.8	15.2			1.5	60.0		4.3
U. S. experts	72.2	10.0	2.2					60.0		
Foreign experts	91.4	63.8	6.6	15.2			1.5			4.3
Basic surveys	15.0	15.0								
Sweden	103.8	46.8	10.3	17.5		2.0	8.8			23.4
U. S. experts	1.5	1.5								
Foreign experts	107.3	45.3	10.3	17.5		2.0	8.8			23.4
Iceland	47.8	35.8	9.9							2.1
U. S. experts	5.6		5.6							
Foreign experts	5.8		3.7							2.1
Technical materials	36.4	35.8	.6							
Portugal	44.3		4.2					35.4		4.7
U. S. experts	6.7							6.7		
Foreign experts	8.9		4.2							4.7
Basic surveys	28.8							28.8		
Trieste	30.0	30.0								
Basic surveys	30.0	30.0								
U. S. Government agencies	388.8	47.0	109.5	98.0	25.4	57.0	44.5			7.4
Foreign experts	351.8	10.0	109.5	98.0	25.4	57.0	44.5			7.4
Technical materials	25.0	25.0								
Services	12.0	12.0								

TABLE B-11.—Value of Industrial Projects Approved, Estimated Total and ECA-Financed Costs, and ECA Procurement Authorized, by Recipient Country and Type of Project, as of September 30, 1950 ¹

[Thousands of dollars]

Type of project	Total			Recipient country											
				Austria			Belgium			Denmark			France		
	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations
Total industrial projects approved	2, 121, 686	524, 653	385, 609	65, 866	31, 300	21, 691	50, 523	15, 190	8, 073	9, 529	5, 070	3, 191	736, 932	141, 799	92, 026
Raw materials extraction	247, 242	34, 585	28, 825	5, 200	1, 937	1, 922							146, 970	10, 804	7, 213
Potash mining	125, 000	4, 000	2, 070										125, 000	4, 000	2, 070
Coal mining	61, 072	15, 830	14, 668												
Iron mining	43, 200	11, 951	9, 283	5, 200	1, 937	1, 922							4, 000	4, 000	2, 339
Oil drilling	17, 970	2, 804	2, 804										17, 970	2, 804	2, 804
Manufacturing	1, 290, 412	323, 771	235, 304	60, 666	29, 363	19, 769	50, 523	15, 190	8, 073				385, 643	99, 044	65, 590
Primary metals	822, 344	207, 119	154, 172	47, 651	24, 164	18, 120	39, 523	13, 655	6, 538				216, 343	68, 134	42, 117
Iron and steel	818, 344	204, 919	152, 422	47, 651	24, 164	18, 120	39, 523	13, 655	6, 538				212, 343	65, 934	40, 367
Aluminum	4, 000	2, 200	1, 750										4, 000	2, 200	1, 750
Petroleum refining	234, 609	35, 142	21, 754										122, 605	16, 633	10, 401
Automotive products	105, 797	37, 979	34, 269										22, 835	10, 427	9, 752
Chemicals	60, 419	19, 226	9, 985										13, 878	878	878
Pulp and paper	25, 995	10, 919	5, 221	13, 015	5, 199	1, 649									
Cement	16, 180	3, 967	2, 619				11, 000	1, 535	1, 535						
General industrial equipment	8, 600	1, 930	1, 400										8, 600	1, 930	1, 400
Meat packing and storage	7, 444	1, 425	1, 000												
Glass	5, 642	3, 669	2, 489												
Bearings, etc.	2, 000	1, 353	1, 353												
Tire cord	1, 382	1, 042	1, 042										1, 382	1, 042	1, 042
Transportation, communication and utilities	509, 182	163, 287	118, 858							9, 529	5, 070	3, 191	141, 319	30, 551	17, 946
Power facilities	344, 438	130, 982	92, 237							9, 529	5, 070	3, 191	59, 345	20, 930	10, 615
Roads and miscellaneous transportation facilities	85, 434	24, 691	22, 312										21, 974	8, 331	6, 131
Roads	58, 090	11, 860	11, 860												
Air Transport	27, 434	12, 831	10, 452										21, 974	8, 331	6, 131
Communication equipment	60, 000	1, 290	1, 200										60, 000	1, 290	1, 200
Waterways and harbors	16, 310	5, 324	3, 109												
Railroads and equipment	3, 000	1, 000													
Other	63, 000	1, 400	1, 277										63, 000	1, 400	1, 277
Irrigation and reclamation	63, 000	1, 400	1, 277										63, 000	1, 400	1, 277
Engineering and technical services	11, 850	1, 610	1, 345												

Type of project	Recipient country—Continued														
	Germany (Federal Republic)			Greece			Iceland			Italy			Netherlands		
	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations
Total industrial projects approved.....	10,719	2,507	662	102,833	27,689	13,916	11,215	5,065	2,000	410,171	161,036	147,167	67,990	26,872	18,222
Raw materials extraction.....				130	100	50				10,111	3,413	3,413			
Potash.....															
Coal mining.....				130	100	50				10,111	3,413	3,413			
Iron mining.....															
Oil drilling.....															
Manufacturing.....	10,719	2,507	662	8,773	4,264	2,911				294,271	93,973	82,029	47,010	23,500	14,850
Primary metals.....										168,617	47,936	46,243	47,010	23,500	14,850
Iron and steel.....										168,617	47,936	46,243	47,010	23,500	14,850
Aluminum.....															
Petroleum refining.....	8,670	670								21,334	8,134	6,844			
Automotive products.....										69,379	23,052	22,517			
Chemicals.....										29,541	11,848	3,500			
Pulp and paper.....										3,400	1,650	1,572			
Cement.....				5,180	2,432	1,084									
General industrial equipment.....															
Meat packing and storage.....															
Glass.....	2,049	1,837	662	3,593	1,832	1,827									
Bearings, etc.....										2,000	1,353	1,353			
Tire cord.....															
Transportation, communications, and utilities.....				86,930	22,375	10,005	11,215	5,065	2,000	105,789	63,650	61,725	20,980	3,372	3,372
Power facilities.....				86,930	22,375	10,005	11,215	5,065	2,000	100,329	59,150	57,404	20,980	3,372	3,372
Roads and miscellaneous transportation facilities.....										5,460	4,500	4,321			
Roads.....															
Air transport.....										5,460	4,500	4,321			
Communication equipment.....															
Waterways and harbors.....															
Railroads and equipment.....															
Other.....															
Irrigation and reclamation.....															
Engineering and technical services.....				7,000	950	950									

See footnotes at end of table.

TABLE B-11.—Value of Industrial Projects Approved, Estimated Total and ECA-Financed Costs, and ECA Procurement Authorized, by Recipient Country and Type of Project, as of September 30, 1950 ¹—Continued

(Thousands of dollars)

Type of project	Recipient country—Continued											
	Norway			Portugal			Turkey			United Kingdom		
	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations	Total cost	ECA cost	ECA authorizations
Total industrial projects approved	29,000	5,014	4,028	9,580	4,070	2,000	201,545	48,606	34,213	415,783	50,435	38,420
Raw materials extraction.....	29,000	5,014	4,028				55,831	13,317	12,199			
Potash mining.....												
Coal mining.....							50,831	12,317	11,205			
Iron mining.....	29,000	5,014	4,028				5,000	1,000	994			
Oil drilling.....												
Manufacturing.....				9,580	4,070	2,000	7,444	1,425	1,000	415,783	50,435	38,420
Primary metals.....										303,200	29,730	26,304
Iron and steel.....										303,200	29,730	26,304
Aluminum.....												
Petroleum refining.....										82,000	9,705	4,509
Automotive products.....										13,583	4,500	2,000
Chemicals.....										17,000	6,500	5,607
Pulp and paper.....				9,580	4,070	2,000						
Cement.....												
General industrial equipment.....												
Meat packing and storage.....							7,444	1,425	1,000			
Glass.....												
Bearings, etc.....												
Tire cord.....												
Transportation, communications, and utilities.....							133,420	33,204	20,619			
Power facilities.....							56,110	15,020	5,650			
Roads and miscellaneous transportation facilities.....							58,000	11,860	11,860			
Roads.....							58,000	11,860	11,860			
Air transport.....												
Communication equipment.....												
Waterways and harbors.....							16,310	5,324	3,109			
Railroads and equipment.....							3,000	1,000				
Other.....												
Irrigation and reclamation.....												
Engineering and technical services.....							4,850	660	395			

¹ Excluding technical assistance projects, strategic materials projects, and counterpart fund projects. Total cost includes ECA dollars, other dollars, and dollar equivalents of local currencies. Overseas territories are reported with recipient mother countries.

APPENDIX C

Counterpart Funds

NOTE.—“Dollar equivalents,” as used in the following tables, represent only an approximate measure of the magnitude involved in counterpart fund transactions. These transactions occur only within the country making the deposits and in the local currency of that country—*never in dollars*.

Counterpart funds are deposited in the special local currency accounts at agreed rates in effect at the time ECA disbursed dollar aid funds. Because agreed deposit rates have not remained constant, portions of the counterpart funds have been withdrawn at times when the conversion rate differed from the rate in effect at the time of deposit.

Dollar equivalents of withdrawals made prior to the effective dates of devaluation have been computed at the average rates at which deposits were made. Dollar equivalents of withdrawals made after the application of new conversion rates stemming from devaluation have been computed at the conversion rates in effect at the time of withdrawal.

Since withdrawals made after devaluation have been computed at rates which may be different from those used when the funds were deposited, the dollar equivalents of deposits are not directly comparable with the dollar equivalents of withdrawals. Therefore, to provide comparability, an “adjusted dollar equivalents of deposits” has been computed to express the approximate dollar value of deposits in terms of the rates in effect at the time the funds were withdrawn or at the current rate for balances remaining in the accounts.

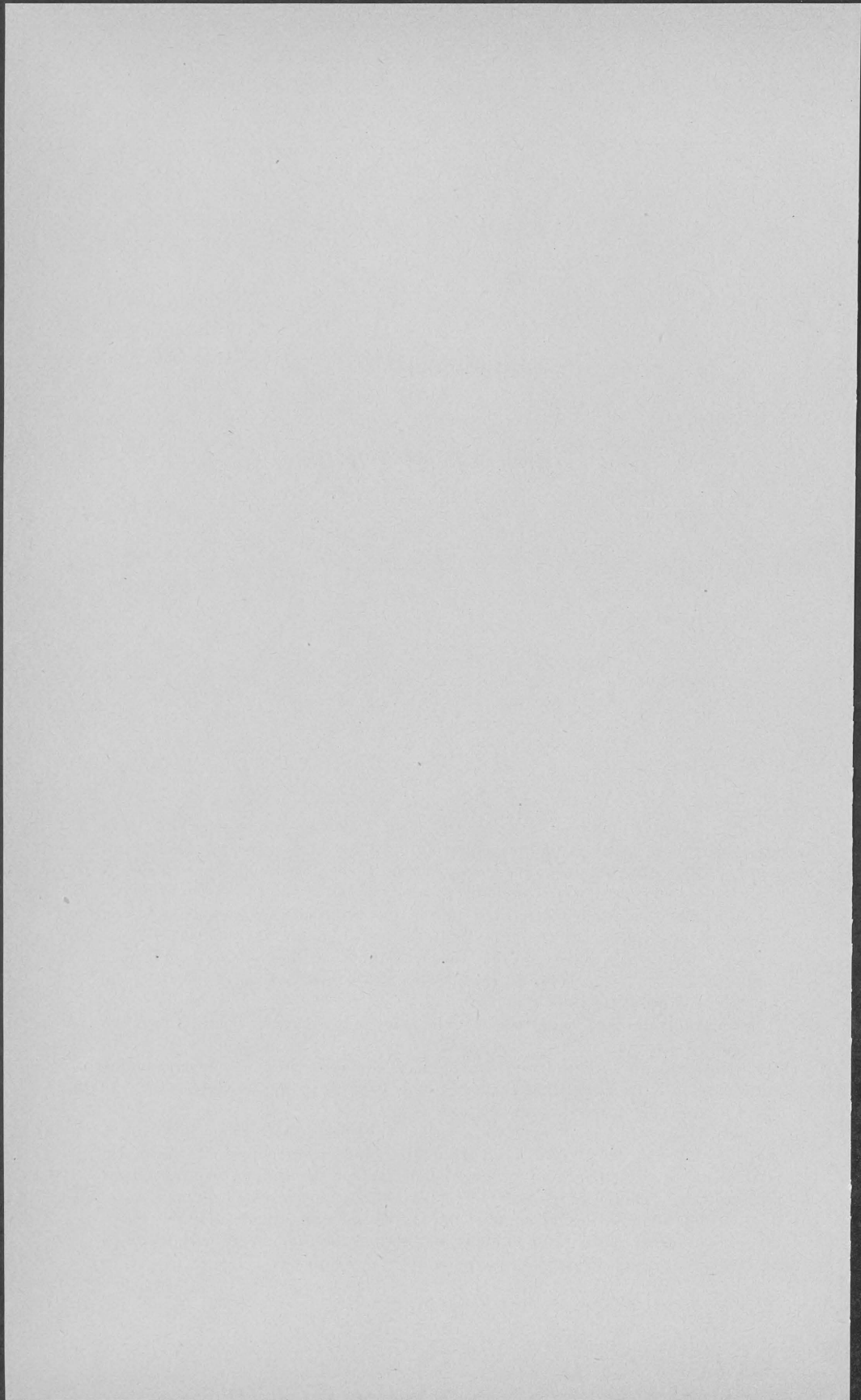


TABLE C-1.—Status of European Local Currency Counterpart Funds Under the Foreign Assistance Act of 1948 (Public Law 472) as of September 30, 1950

[Dollar equivalents of the local currency, in millions of dollars]¹

Country	Total deposits		- Adjusted dollar equivalent of deposits			Utilization of 95 percent portion	
	Local currencies	Dollar equivalents	Total	5 percent for use by the United States	95 percent for use by recipient countries	Approved for withdrawal	Withdrawals
Total.....		7,158.1	6,593.2	309.0	6,284.2	4,307.4	4,184.7
Austria.....	6.9 billion schillings.....	532.7	412.6	20.4	392.2	250.4	187.8
Belgium-Luxembourg.....	132 million francs.....	3.0	2.6	.3	2.3	2.2	2.1
Denmark.....	974 million kroner.....	173.1	141.0	7.1	133.9	118.8	118.8
France.....	513 billion francs.....	1,778.7	1,751.7	75.1	1,676.6	1,665.2	1,665.2
Germany (Fed. Rep.).....	2.9 billion Deutsche marks.....	838.4	739.7	35.3	704.4	645.5	645.5
Greece.....	5,683 billion drachmas.....	465.4	417.9	19.0	398.9	256.0	242.4
Iceland.....	64 million kronur.....	5.4	3.9	.2	3.7	-----	-----
Ireland.....	1.1 million pounds.....	3.0	3.0	.2	2.8	-----	-----
Italy.....	360 billion lire.....	609.7	579.0	29.7	549.3	311.6	265.7
Netherlands.....	2.3 billion guilders.....	725.4	632.2	31.2	601.0	178.2	178.2
Norway.....	1.4 billion kroner.....	234.5	220.9	10.0	210.9	73.5	73.5
Portugal.....	507 million escudos.....	18.2	17.6	.9	16.7	-----	-----
Trieste.....	13 billion lire.....	22.6	22.2	1.1	21.1	18.8	18.3
Turkey.....	208 million liras.....	74.2	74.2	3.7	70.5	-----	-----
United Kingdom.....	479 million pounds.....	1,673.8	1,574.7	74.8	1,499.9	787.2	787.2

¹ See explanatory note on p. 131.

TABLE C-2.—Status of United States Portion (5 Percent) of European Counterpart Funds Under the Foreign Assistance Act of 1948 (Public Law 472) as of September 30, 1950

[Dollar equivalents of the local currency, in thousands of dollars]

Country	U. S. portion of deposits	Expenditures					Transfers to U. S. Treasury from ECA	Out-standing commitments for strategic materials
		Total	Administration	Strategic materials	Information projects	Special purposes		
Total.....	308,961	91,190	21,858	51,316	9,078	8,938	30,014	29,677
Austria.....	20,345	2,483	648	-----	1,006	829	4,400	-----
Belgium-Luxembourg.....	302	265	258	-----	145	-----	-----	-----
Denmark.....	7,135	1,133	426	562	7	-----	1,447	-----
France ¹	75,105	19,265	11,620	3,143	3,305	1,197	15,025	6,416
Germany (Fed. Rep.).....	35,247	3,737	1,027	1,002	1,470	238	-----	265
Greece.....	19,043	2,227	1,987	-----	173	67	4,667	-----
Iceland.....	206	44	44	-----	-----	-----	9	-----
Ireland.....	151	81	80	-----	1	-----	-----	-----
Italy.....	29,664	17,598	2,443	6,615	2,112	6,428	2,880	784
Netherlands.....	31,241	7,769	517	6,884	310	58	-----	3,293
Norway.....	10,035	417	368	2	47	-----	552	1
Portugal.....	882	171	157	8	6	-----	286	31
Trieste.....	1,103	238	147	-----	91	-----	748	-----
Turkey.....	3,711	613	447	45	87	34	-----	15
United Kingdom.....	74,791	35,149	1,689	33,055	318	87	-----	18,872

¹ Includes expenses of the Office of Special Representative.

TABLE C-3.—ECA Approvals for Withdrawal of 95 Percent Portion of European Counterpart Funds Under the Foreign Assistance Act of 1948 (Public Law 472) through September 30, 1950

[Dollar equivalents of the local currency, in millions of dollars]

Purpose	Total	Austria	Belgium-Luxembourg	Denmark	France	Germany (Fed. Rep.)	Greece	Italy	Netherlands	Norway	Trieste	United Kingdom
Total.....	4,307.4	250.4	2.2	118.8	1,665.2	645.5	256.0	311.6	178.2	73.5	18.8	787.2
Monetary and financial stabilization—debt retirement.....	1,129.8	12.5	-----	88.3	171.4	-----	-----	-----	-----	73.5	-----	784.1
Promotion of production.....	2,482.4	213.8	2.2	30.5	1,393.3	449.0	88.8	187.4	97.4	-----	18.8	1.2
Land reclamation.....	100.7	1.7	-----	-----	48.5	-----	14.6	-----	35.9	-----	-----	-----
Other agricultural programs.....	271.2	19.6	-----	15.2	104.3	36.1	9.9	39.5	46.6	-----	-----	-----
Coal mining and other mining and quarrying.....	367.2	11.2	-----	-----	304.0	51.4	.6	-----	-----	-----	-----	-----
Primary metals.....	128.8	20.9	-----	-----	96.4	11.4	.1	-----	-----	-----	-----	-----
Machinery.....	50.2	5.3	-----	-----	5.4	39.3	.2	-----	-----	-----	-----	-----
Textiles.....	17.3	3.2	-----	-----	7.1	6.3	.7	-----	-----	-----	-----	-----
Chemicals, except fertilizer.....	17.3	.4	-----	-----	3.3	12.5	1.1	-----	-----	-----	-----	-----
Fertilizer.....	12.7	2.6	-----	-----	10.0	-----	.1	-----	-----	-----	-----	-----
Pulp, paper and paper products.....	12.1	7.1	-----	-----	1.0	4.0	-----	-----	-----	-----	-----	-----
Petroleum and coal products.....	11.7	-----	-----	-----	4.0	7.7	-----	-----	-----	-----	-----	-----
Food products, mfg.....	7.9	.7	-----	-----	5.3	.3	1.1	-----	-----	-----	.5	-----
Electric, gas, and power facilities.....	640.4	27.3	-----	-----	512.6	100.0	.5	-----	-----	-----	-----	-----
Railroads.....	278.1	36.7	-----	-----	108.5	15.7	9.6	106.5	1.1	-----	-----	-----
Merchant and fishing fleet.....	92.7	-----	-----	1.4	48.4	20.4	-----	4.8	-----	-----	17.7	-----
Roads and highway bridges.....	34.4	5.8	-----	-----	5.2	-----	22.1	1.3	-----	-----	-----	-----
Waterways and harbors.....	30.3	.5	-----	-----	12.9	1.0	7.1	-----	8.8	-----	-----	-----
Communication facilities.....	13.6	7.9	-----	-----	-----	1.7	.7	3.3	-----	-----	-----	-----
Strategic materials.....	38.1	-----	-----	-----	38.1	-----	-----	-----	-----	-----	-----	-----
Technical assistance.....	7.2	.4	-----	1.6	-----	.5	3.4	-----	.1	-----	-----	1.2
Other and undistributed.....	350.5	62.5	2.2	12.3	78.3	140.7	17.0	32.0	4.9	-----	.6	-----
Other purposes.....	695.2	24.1	-----	-----	100.5	196.5	167.2	124.2	80.8	-----	-----	1.9
Construction of public buildings and housing facilities.....	297.3	12.0	-----	-----	95.9	38.5	46.3	24.2	80.4	-----	-----	-----
Special relief projects.....	144.0	1.8	-----	-----	2.7	6.7	109.2	21.7	-----	-----	-----	1.9
Undistributed other purposes.....	253.9	10.3	-----	-----	1.9	151.3	11.7	78.3	.4	-----	-----	-----
Total local currency.....	-----	3,742 Million schillings	113 Million francs	821 Million kroner	484 Billion francs	2,549 Million Deutsche marks	3,256 Billion drachmas	194 Billion lire	574 Million guilders	365 Million kroner	11.3 Billion lire	201 Million pounds

TABLE C-4.—ECA Approvals for Withdrawal of Local Currency Funds under Public Laws 84 and 389 through September 30, 1950 ¹

[Dollar equivalent of the local currency, in millions of dollars]

Purpose	Total	Austria	France	Italy
Total approved by ECA.....	567.8	108.8	312.6	146.4
Monetary and financial stabilization—debt retirement.....	72.5	72.5		
Promotion of production.....	480.7	31.7	312.6	136.4
Agriculture and forestry.....	36.2	1.4		34.8
Coal mining.....	34.1		34.1	
Petroleum and coal products.....	7.7		7.7	
Machinery.....	5.0		5.0	
Primary metals.....	4.9		4.9	
Fertilizer.....	1.4		1.4	
Stone, clay, and glass.....	.9		.9	
Chemicals, except fertilizer.....	.7		.7	
Miscellaneous manufactures.....	.8		.8	
Electric, gas, and power facilities.....	169.4		169.4	
Railroads.....	129.6	24.6	56.3	48.7
Merchant and fishing fleet.....	29.6		22.7	6.9
Communication facilities.....	5.1	5.1		
Waterways and harbors.....	4.4		4.4	
Roads and highway bridges.....	1.1	.5	.6	
Water systems.....	.1	.1		
Technical assistance.....	4.7			4.7
Loans to industry and commerce.....	3.2			3.2
Undistributed promotion of production.....	41.8		3.7	38.1
Other purposes.....	14.6	4.6		10.0
Housing.....	5.6			5.6
Public buildings.....	4.4	4.4		
Tourism.....	2.9			2.9
Miscellaneous social services.....	1.5			1.5
Undistributed other purposes.....	.2	.2		
Total local currency.....		1,088 million ! schillings	68,809 million frances	88,697 million lire

¹ Approvals for withdrawal of unencumbered portion of deposits for which ECA is responsible for approving the utilization.

TABLE C-5.—Status of GARIOA ¹ Counterpart Funds for Germany (Fed. Rep.) through September 30, 1950

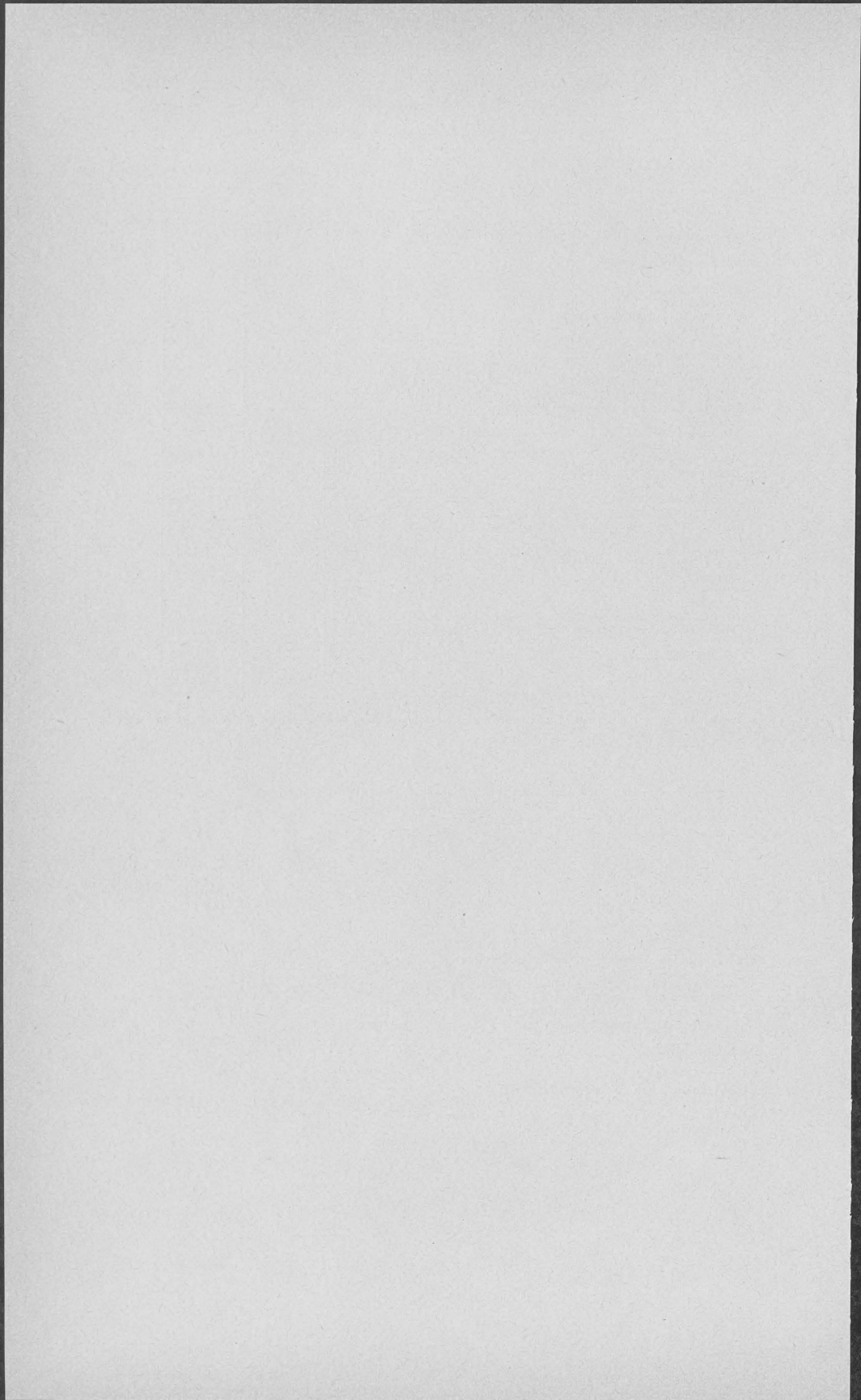
	Local currency (millions of Deutsche marks)	Dollar equivalents (millions of dollars)
Deposits ²	839.6	199.9
Disbursements at the request of the United States.....	357.0	85.0
HICOG expenses (including reorientation program).....	160.0	38.1
Unemployment relief in Berlin.....	120.0	28.6
Advances for export stimulation ³	62.0	14.7
Loan to Berlin Central Bank ³	15.0	3.6
Balance on hand ⁴	482.6	114.9

¹ Government and Relief in Occupied Areas.

² Includes the equivalent of \$83 million deposited against releases from grain and other reserves since December 1949 and the equivalent of \$117 million to match the dollar cost of ECA-GARIOA procurement.

³ To be repaid to GARIOA account.

⁴ The United States has priority on the use of this balance.



APPENDIX D

Status

of the

United States Foreign Relief Program

(Public Law 84)

and the

United States Foreign Aid Program

(Public Law 389)

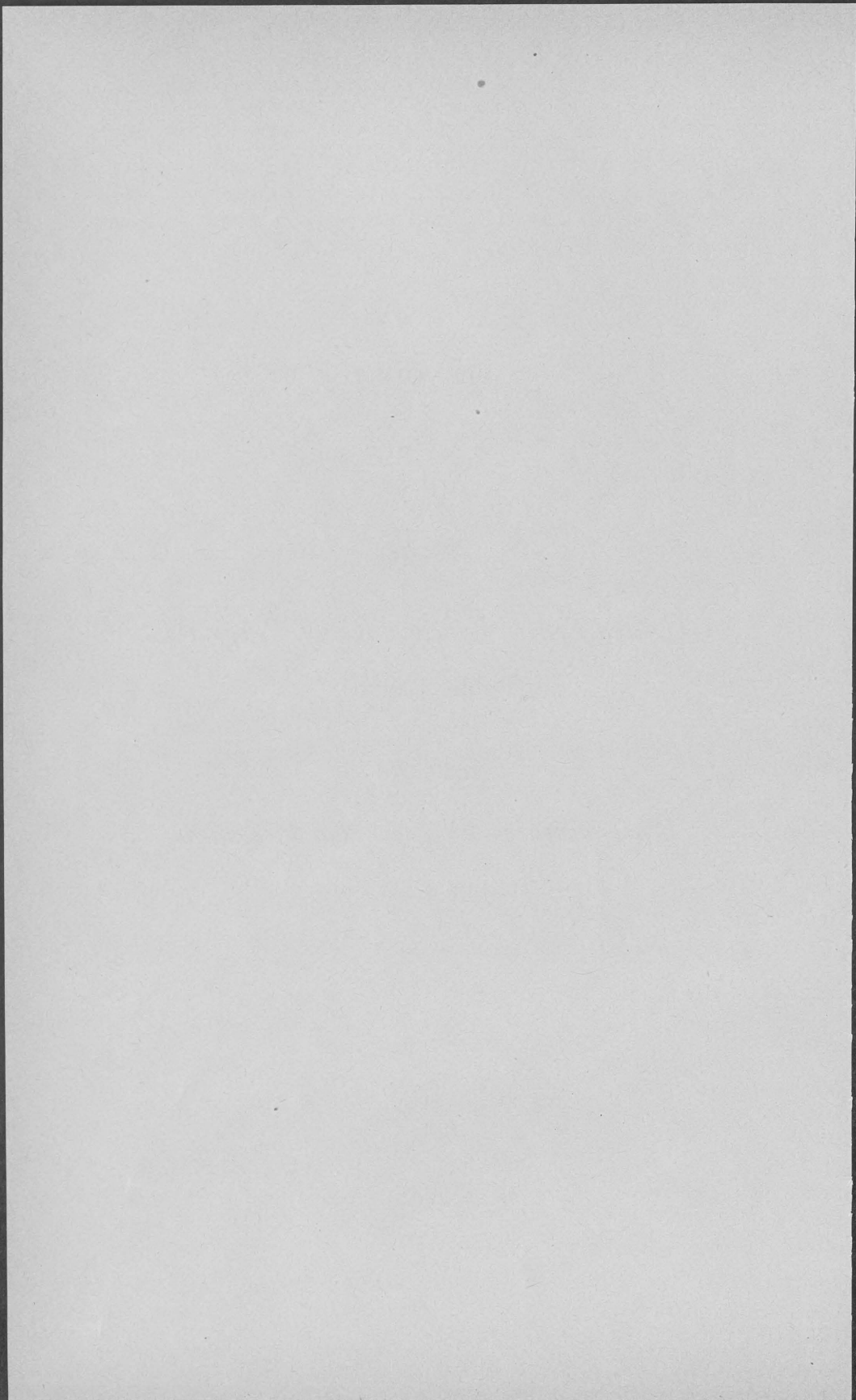


TABLE D-1.—Status of Funds Appropriated Under Public Law 84, September 30, 1950

Agency	Allocations ¹	Obligations	Expenditures
Department of Agriculture.....	\$222,023,693.19	\$222,023,693.19	\$222,023,693.19
General Services Administration.....	6,101,150.59	6,101,150.59	6,101,150.59
Department of the Army.....	30,018,252.93	30,018,252.93	30,018,252.93
Department of State ²	76,821,073.78	76,821,073.78	76,821,073.78
Executive Office of the President.....	215,178.02	215,178.02	215,178.02
Economic Cooperation Administration ³	3,444,828.31	3,444,828.31	3,444,828.31
	338,624,176.82	338,624,176.82	338,624,176.82
¹ Appropriation.....			\$350,000,000.00
Reimbursements.....			19,757.72
			350,019,757.72
Less: Transfers to Department of Agriculture:			
Cabinet Food Committee.....			1,000,000.00
Transferred to Surplus (General Fund of the Treasury).....			10,395,580.90
Total amount allocated.....			338,624,176.82
² Including \$40,000,000 for International Children's Emergency Fund.			
³ Transferred from Department of State.			

TABLE D-2.—Status of Local Currency Funds Under Public Law 84, September 30, 1950 ¹

Item	Austria (thousands of schillings)	Greece (millions of drachmas)	Italy (millions of lire)	Trieste (millions of lire)
Proceeds of sales.....	472,615	203,987	40,529	1,987
Status of accounts:				
Deposits.....	472,615	203,987	40,529	1,860
Withdrawals.....	465,227	203,987	39,415	1,855
Bank balance.....	7,388		1,114	5
Withdrawals:				
For country use.....	453,100	203,482	38,218	1,846
For United States use:				
Mission expense.....	445	505	1,197	9
Army costs of handling P. L. 84 goods.....	11,682			
Total.....	465,227	203,987	39,415	1,855
Further withdrawals.....			949	

¹ Data for China not available.

TABLE D-3.—Status of Funds Appropriated Under Public Law 389, September 30, 1950

Agency	Allocations ¹	Obligations	Expenditures
Department of Agriculture.....	\$238,932,151.65	\$238,932,151.65	\$238,932,151.65
General Services Administration.....	2,306,013.16	2,306,013.16	2,306,013.16
Department of the Army.....	31,053,872.18	31,053,872.18	31,053,872.18
Department of State.....	270,394,777.50	270,394,777.50	270,394,777.50
Economic Cooperation Administration ²	12,973,618.83	12,973,618.83	12,973,618.83
Total.....	555,660,433.32	555,660,433.32	555,660,433.32
¹ Appropriation.....			\$577,000,000.00
Reimbursement.....			1,159.23
Less: Transfer to ECA under provisions of sec. 114 (b) Public Law 472.....			577,001,159.23
			21,200,000.00
Transferred to Surplus (General Fund of the Treasury).....			555,801,159.23
			140,725.91
Total amount allocated.....			555,660,433.32
² Transferred from Department of State.....			

TABLE D-4.—Status of Local Currency Funds Under Public Law 389, September 30, 1950

Item	Austria (thousands of schillings)	France (thousands of francs)	Italy (thousands of lire)
Counterpart of notifications.....	692,472	68,549,027	101,193,094
Status of accounts:			
Deposits.....	¹ 777,424	² 68,869,187	² 101,364,426
Withdrawals.....	658,431	³ 68,869,187	49,865,343
Bank balance.....	118,993		51,499,083
Withdrawals:			
For country use.....	650,000	68,809,187	49,423,000
For United States use:			
Mission expenses.....	273	6,019	442,343
Transfers to U. S. accounts under P. L. 472.....		53,981	
Army costs of handling P. L. 389 goods.....	8,158		
Total.....	658,431	68,869,187	49,865,343
Further withdrawals to be made: For country use.....			34,876,787

¹ Deposits in excess of counterpart notifications. Original deposits made in form of Treasury Certificates and from funds other than proceeds of sales. Subsequently, proceeds from sales were deposited as collected without adjustments for previous deposits, thereby creating excess.

² Deposits temporarily in excess of adjusted counterpart notifications. French counterpart deposited equivalent to \$312,867,801; total of notifications as adjusted \$311,413,339. Italian counterpart deposited equivalent to \$176,352,102; total of notifications as adjusted, \$176,054,133.

³ Includes 68,809,187 thousand francs transferred to P. L. 472 account.

APPENDIX E

Fiscal Statements

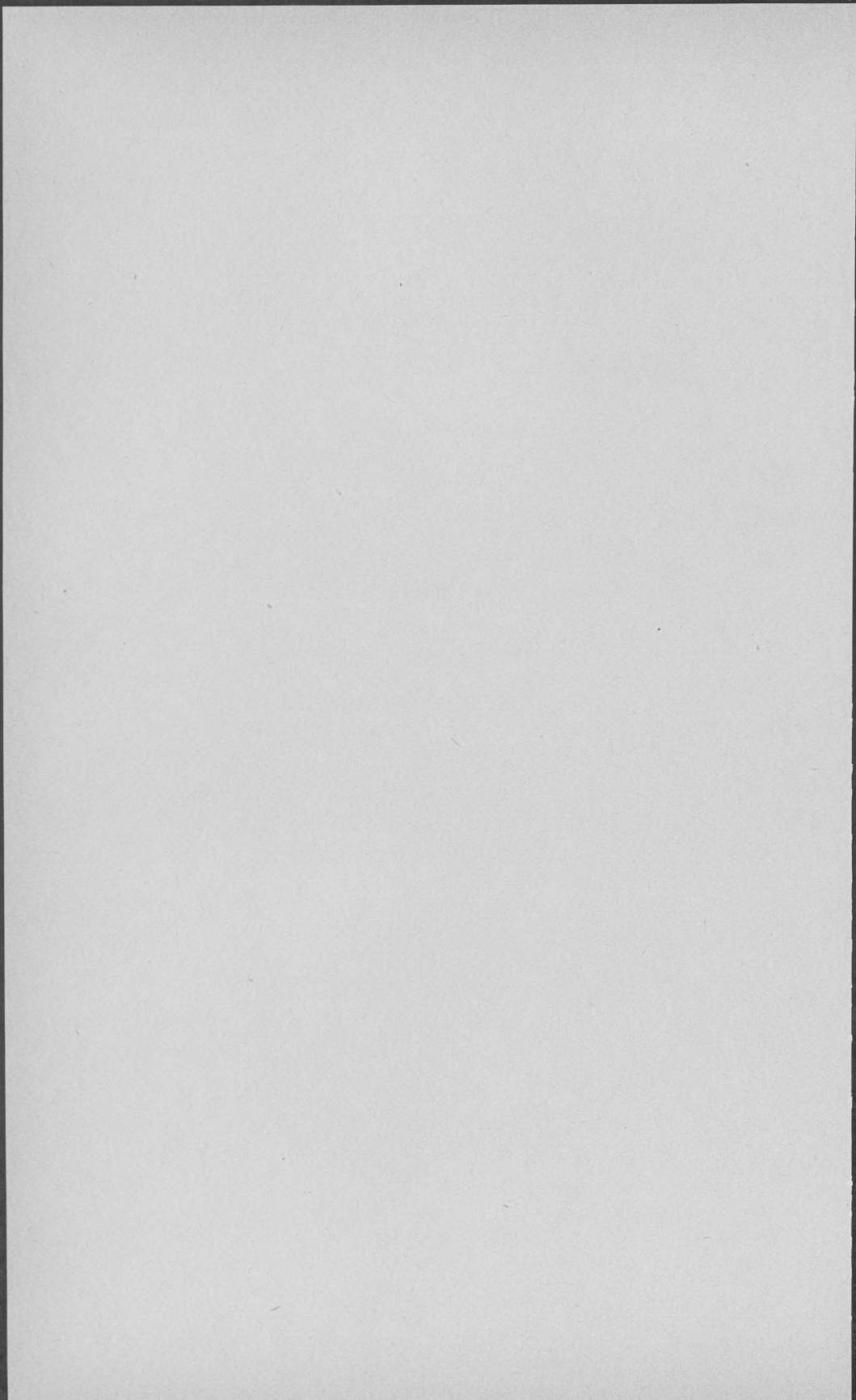


TABLE E-1.—Balance Sheet as of September 30, 1950

ASSETS				
Available cash:				
Treasury checking accounts		\$1,651,210,226		
Transferable from appropriated and other available funds		400,340,133		
				\$2,051,550,359
Advances to other Federal agencies				180,701,065
Accounts receivable				2,037,773
Deposits, Export-Import Bank, under guaranty program				1,834
Foreign currencies, at official rates of exchange, arising out of guaranty contracts				937,189
Loans to participating countries, due in installments over 35 years, with interest at 2½ percent beginning in 1952—advances to date				1,028,108,748
Total assets				<u>3,263,336,968</u>
LIABILITIES				
Current liabilities:				
Administration		\$1,007,265		
Korean evacuation claims for personal property (advances)		187,000		
Voluntary-aid freight		3,400		
Other		9,040		
				1,206,705
Notes payable to U. S. Treasury:				
Due on or before June 30, 1954, on which interest of 1½ percent on amounts advanced is to be paid out of interest received on loans to participating countries	Gross amount	Available		
Due on or before April 3, 1954, with interest rate yet to be determined, covering guaranties under sec. (111) (b) (3) of P. L. 472, as amended:				
Total notes issued	\$200,000,000			
Less: Foreign currency sales proceeds	258,213			
	199,741,787	199,046,337		695,450
Total	1,322,041,787	293,237,559		
Unexpended appropriations and other funds (Schedule 2)				¹ 2,233,326,065
Total liabilities				<u>3,263,336,968</u>
¹ The unexpended amount of \$2,233,326,065 is available for future expenditures, including the following outstanding commitments of \$1,773,996,100:				
Program procurement authorized:				
Country procurement programs		\$1,717,687,300		
Technical assistance		12,721,100		
Guaranties under sec. (111) (b) (3), P. L. 472, as amended		28,441,700		
Strategic materials development program		14,761,100		
Voluntary-aid freight		138,900		
Administration		241,000		
Joint Commission on Rural Reconstruction of China		5,000		

TABLE E-2.—Summary of Available Funds and Expenditures, 30 Months Ended September 30, 1950

	Total	Activities relating to—						
		Europe	China	Korea	Relief in occupied areas in Germany	Greece-Turkey assistance	Mutual defense assistance	Guaranties
<i>Appropriation or other source</i>								
Direct appropriation:								
Foreign Aid Appropriation Act, 1949, as amended.....	\$4,264,643,735	\$3,999,640,000	\$265,003,735					
Foreign Aid Act of 1947 (balance).....	21,200,000	21,200,000						
Amounts available under Public Laws 327, 343, 430, 535, 583, and 627.....	5,051,505,000	4,931,505,000		\$120,000,000				
Allocations from other agencies:								
Foreign Aid Appropriation Acts, 1949-50 (Army).....	30,016,562			30,016,562				
Greece-Turkey Assistance Acts, 1947-50 (State).....	9,880,000					\$9,880,000		
Mutual Defense Assistance Act, 1949 (State).....	34,337,000						\$34,337,000	
Foreign Aid Appropriation Act, 1950 (Army).....	182,667,328				\$182,667,328			
Borrowing authority from U. S. Treasury under sec. 111 (c) (2) of the Economic Cooperation Act of 1948, P. L. 472, as amended by P. L.'s 47 and 535 and the Foreign Aid Appropriation Act, 1950, P. L. 327, plus fees collected.....	1,322,543,574	1,122,300,000						\$200,243,574
Total available funds.....	10,916,793,199	10,074,645,000	265,003,735	150,016,562	182,667,328	9,880,000	34,337,000	200,243,574
<i>Expenditures</i>								
Program identified with:								
ECA financed transactions included on 15-day notification reports.....	8,609,919,212	8,235,836,798	167,505,523	64,339,879	142,189,037		47,975	
Other program items.....	36,515,352	25,117,355	525,952	2,025,949		7,201,342	1,644,754	
Total program.....	8,646,434,564	8,260,954,153	168,031,475	66,365,828	142,189,037	7,201,342	1,692,729	
Guaranty contracts.....	1,239,938							1,239,938
Administration:								
27 months ended June 30, 1950.....	31,358,584	27,395,123	1,492,375	2,471,086				
3 months ended September 30, 1950.....	4,434,048	3,920,946	173,255	339,847				
Total administration.....	35,792,632	31,316,069	1,665,630	2,810,933				
Total expenditures.....	8,683,467,134	8,292,270,222	169,697,105	69,176,761	142,189,037	7,201,342	1,692,729	1,239,938
Unexpended balance.....	2,233,326,065	1,782,374,778	95,306,630	80,839,801	40,478,291	2,678,658	32,644,271	199,003,636

¹ Includes \$4,500,000 transferred from GARIOA per section 105 (a) P. L. 535.² Includes expenditures of \$12,444 for the China area.³ Excludes expenditures of \$12,444 charged to the European appropriation.

TABLE E-3.—Program Costs through September 30, 1950

[Millions of dollars]

	Procurement authorized	Procurement expenditures					
		Total	By United States agencies		By type		
			ECA	Other	Grants	Conditional aid	Loans
Total	10,295.3	8,609.9	7,165.7	1,444.2	6,284.0	1,297.8	1,028.1
Direct program costs	10,295.3	8,605.2	7,161.4	1,443.8	6,279.4	1,297.7	1,028.1
Total, Europe	9,796.8	8,231.1	6,983.2	1,247.9	5,905.3	1,297.7	1,028.1
Austria	450.3	394.2	153.7	240.5	389.5	4.7	-----
Belgium	505.9	464.2	429.2	35.0	3.0	1 410.3	50.9
Denmark	213.1	185.0	176.1	8.9	144.9	9.1	31.0
France	2,043.7	1,679.1	1,573.6	105.5	1,445.8	61.3	172.0
Germany (Federal Republic)	967.6	816.5	441.4	375.1	597.9	218.6	-----
Greece	368.9	272.0	125.5	146.5	272.0	-----	-----
Iceland	15.9	11.6	9.6	2.0	5.8	3.5	2.3
Indonesia	101.4	101.4	101.4	-----	84.2	-----	17.2
Ireland	140.6	111.6	95.2	16.4	3.0	-----	108.6
Italy	1,071.5	807.4	665.5	141.9	650.7	83.7	73.0
Netherlands	795.1	657.4	582.1	75.3	496.3	31.6	129.5
Norway	202.3	157.4	141.1	16.3	111.5	10.9	35.0
Portugal	34.1	15.1	14.1	1.0	-----	8.3	6.8
Sweden	98.2	75.8	75.8	-----	2 55.4	20.4	-----
Trieste	29.8	22.5	10.0	12.5	22.5	-----	-----
Turkey	102.9	64.4	46.5	17.9	-----	19.9	44.5
United Kingdom	2,655.5	2,395.5	2,342.4	53.1	1,678.2	380.4	336.9
China Area	187.3	167.5	96.3	71.2	167.5	-----	-----
Korea	129.3	64.3	30.4	33.9	64.3	-----	-----
Germany (Federal Republic) (GARIOA)	181.2	142.2	51.5	90.7	142.2	-----	-----
Mutual Defense Assistance .....	.7	.1	-----	.1	.1	-----	-----
Indirect program costs	-----	4.7	4.3	.4	4.6	.1	-----
Technical assistance, requiring deposit of counterpart:	-----	-----	-----	-----	-----	-----	-----
Greece	-----	3.8	3.4	.4	3.8	-----	-----
All other countries ³	-----	.9	.9	-----	.8	.1	-----

¹ Exclusive of \$36,314,690, net drawing rights extended in excess of dollars disbursed for conditional aid.² Exclusive of \$21,476,478, net drawing rights extended in excess of dollars disbursed for conditional aid.³ Totals \$899,163 as follows: Austria \$14,177; Denmark \$48,418; France \$402,148; Germany \$10,868; Iceland \$6,149; Ireland \$2,240; Italy \$32,337; Netherlands \$37,514; Norway \$38,544; Turkey \$86,139; United Kingdom \$198,237; Korea \$22,392.

TABLE E-4.—Direct Administration and Other Nonprogram Costs, through September 30, 1950

[Thousands of dollars]

	All programs			European Recovery Program			China aid program			Korea program		
	Total	Washington	Overseas	Total	Washington	Overseas	Total	Washington	Overseas	Total	Washington	Overseas
Total nonprogram costs.....	72,308.1	53,222.0	19,086.1	65,257.2	51,140.6	14,116.6	2,214.1	823.2	1,390.9	4,836.8	1,258.2	3,578.6
Direct administration costs.....	35,792.7	18,016.8	17,775.9	31,303.7	17,197.5	14,106.2	1,678.1	464.6	1,213.5	2,810.9	354.7	2,456.2
Personal services.....	24,331.6	11,604.6	12,727.0	21,810.2	11,079.5	10,730.7	1,174.8	332.2	842.6	1,346.6	192.9	1,153.7
Attendance at meetings.....	19.9	19.9	19.9	19.9	19.9	19.9	—	—	—	—	—	—
Automobile.....	40.1	17.6	22.5	40.1	17.6	22.5	—	—	—	—	—	—
Entertainment.....	11.0	11.0	11.0	11.0	11.0	11.0	—	—	—	—	—	—
Other.....	11,390.1	6,363.7	5,026.4	9,422.5	6,069.5	3,353.0	503.3	132.4	370.9	1,464.3	161.8	1,302.5
Other nonprogram costs.....	36,515.4	35,205.2	1,310.2	33,953.5	33,943.1	10.4	536.0	358.6	177.4	2,025.9	903.5	1,122.4
Voluntary-aid freight.....	20,309.0	20,309.0	—	20,015.5	20,015.5	—	186.4	186.4	—	107.1	107.1	—
Assistance to Greece and Turkey.....	8,836.1	8,836.1	—	8,836.1	8,836.1	—	—	—	—	—	—	—
Joint Commission for Rural Reconstruction of China.....	339.5	162.1	177.4	—	—	—	339.5	162.1	177.4	—	—	—
German industrial survey.....	169.8	169.8	—	169.8	169.8	—	—	—	—	—	—	—
Technical assistance requiring no local currency deposits.....	3,514.5	2,386.3	1,128.2	1,772.6	1,766.8	5.8	10.1	10.1	—	1,731.8	609.4	1,122.4
Confidential expenses.....	10.7	6.1	4.6	10.7	6.1	4.6	—	—	—	—	—	—
Strategic materials.....	3,156.9	3,156.9	—	3,156.9	3,156.9	—	—	—	—	—	—	—
Cotton sampling.....	² -8.1	-8.1	—	-8.1	-8.1	—	—	—	—	—	—	—
Korean evacuation claims for personal property.....	187.0	187.0	—	—	—	—	—	—	—	187.0	187.0	—

¹ Preliminary.² Adjustment in expenses incurred and transferred to program costs.

TABLE E-5.—ECA Expenditures for Freight Subsidies on Voluntary Relief Supplies and Parcel Post Packages, July 1, 1948–September 30, 1950

[Thousands of dollars]

Country of destination	Total	Parcel post packages ¹	Supplies sent by voluntary agencies	Supplies sent through commercial channels
Grand total.....	² 19, 773. 0	² 15, 582. 2	4, 004. 6	186. 2
European countries.....	19, 449. 6	15, 529. 2	3, 734. 2	186. 2
Austria.....	800. 0	447. 1	352. 6	. 3
Belgium-Luxembourg.....	38. 5	31. 9	6. 6	
France.....	916. 1	719. 4	196. 3	. 4
Germany (Federal Republic).....	10, 159. 4	8, 062. 9	1, 988. 4	108. 1
Greece.....	699. 0	470. 3	228. 4	. 3
Italy.....	4, 040. 8	3, 281. 0	759. 2	. 6
Netherlands.....	229. 6	190. 9	38. 7	
Norway.....	3. 7		3. 7	
Trieste.....	27. 5	9. 6	17. 9	
United Kingdom.....	2, 535. 0	2, 316. 1	142. 4	76. 5
China.....	186. 5	10. 1	176. 4	
Korea.....	105. 5	11. 5	94. 0	

NOTE.—Totals shown are sums of unrounded figures, hence may vary slightly from totals of unrounded amounts.

¹ Parcel post figures reflect final expenditure data received from the Post Office Department.

² Including \$31.4 thousand for Post Office Administrative expenses reimbursed by ECA.

